FBIS DAILY REPORT

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BRAZILIAN FINANCE MINISTER ADDRESSES IDB SESSION

PY010128 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 May 79 p 23 PY

[Text of speech by Finance Minister Karlos Rischbieter at annual IDB assembly in Montego Bay, Jamaica, on 29 May]

[Text] Gentlemen: It is a pleasure for me to address the participants of the 20th assembly of governors of the Inter-American Development Bank [IDB], and I also want to express greetings to the IDB Board and its administration. The significant increase of IDB disbursements last year--25 percent as compared to the previous period--is viewed with satisfaction, and shows a remarkable efficiency in the administration of loans. During the 2 years I have headed the ALIDE [Latin American Association of Financial Institutions for Development], thanks to the firm support of the IDB, I had had the opportunity in several meetings to discuss the economic and social problems which are afflicting Latin American and Caribbean countries. And now, I would like to reassert those ideas so that, with you, jointly, we may make a deep meditation on our real situation, in the same manner in which I, like all Brazilians, trust in the future of my country. I also trust in the progress of the Latin American continent and of the Caribbean, as long as we join our efforts for the common good of our peoples.

We are living in a period marked with profound and quick changes. We are on the threshold of a new era, which will emerge at the end of the petroleum age, from cheap and abundant energy. The Brazilian people and government, as history tells us, have always been able to firmly face the challenges of the changing world. We have been able to take advantage of those situations thanks to the optimism and to the confidence in the capacity to shape our own destiny. I know that optimism and that belief in the future are also the patrimony of our brothers from the Caribbean and from Latin America. Our countries are trying to find a way out for the problems of underdevelopment. If we do not succeed in proving that it is possible to pull our peoples out of poverty with rational instruments of the economic policy, no other part of the Third World will achieve it.

The failure of our continent might seriously affect all Western economic and political systems. The industrialized countries must become aware of this and abandon their egotistic and discriminatory positions. We, the Brazilian people and government, are willing to make an old Latin American dream come true: eradicating proverty and of advancing united toward full economic, political and social development. I believe that through a common effort and effective cooperation among peoples, we will be able to accelerate that process of turning that dream into reality. And we will achieve this despite the difficulties in the world today, oppressed by tensions created by the energy crisis and the expansion of the gap between the rich and the poor.

The IDB, the main financial source of the continent's development, will play an important role in this effort which must be made not only by Brazil but by all the countries which are represented here. Professionally trained within a development bank, the BADEP--Parana Development Bank--I assign an important role for that kind of organization. It is up to that organization not to rely on routine bank operations, but should rather try to see beyond the horizon. It must be an important instrument of economic thrust, opening new paths and motivating pioneer initiatives. I, therefore, defend the need for a constant improvement of IDB's activities now that most countries of the region are facing great difficulties both in the foreign trade sector and in financing their own deficits.

The increase of official loans has not accompanied the growing needs of Latin American and Caribbean countries. In view of this, there has been an increase in the participation of private capital, which is today the main foreign financing source in the region. This has contributed to the increase in the foreign debt of countries in South and Central America and in the Caribbean which do not produce petroleum to more than $100 billion in 1973.

In the more general sense of international cooperation we are experiencing a transitional stage which is particularly important for the North-South dialog, after more than 2 decades of intensive debates which had rarely surpassed the technical level in the international forums. There has been some progress to the measure in which the cooperation with developing countries seems to be a permanent item in the agenda of the summit meetings of highly industrialized countries, but there is an incipient fear that keeping that item within the agenda might involve a bureaucratic ritual--which those countries cannot avoid--more than a firm political decision to increase their cooperation with the Third World.

This fear is quite reasonable. The objectives for liberalizing international trade, which had led to another lengthy and arduous multilateral GAAT [presumably GATT] session, have not been affected as far as interests of the developing countries are concerned. Even the recent commitments to fight against the protectionism which has been devastating the industrialized world hve turned out absolutely innocuous. Truly, the indiscriminate and arbitrary implementation of safeguards to benefit obsolete or less competitive industries of the developed countries have increased them instead of reducing them. The code of subsidies negotiated in Geneva must be implemented without distorting the spirit of liberalization of trade with which it had been conceived.

Although not violating the letter of the code which has been negotiated, it would be deplorable if the developed countries decide to implement it through legislation which, by reducing time limits and reinterpreting concepts, would establish a treatment even more restrictive than the legislation now in force. In accordance with its level of development, Brazil has already contributed as much as it could to the multilateral trade negotiations and it expects other participants to do as much as they can.

The highly developed countries especially would greatly serve the interests of trade liberalization, international cooperation and the consumers by replacing protectionist measures with supporting measures for the readjustment of their industrial structures in those sectors which no longer can compete in a free market with industries in developing countries.

These are, Mr President, the current problems which are compounded by those created by a new type of supersophisticated technology to which only the highly industrialized countries will have access if we fail today tomake the options consonant with our real interests. This new industrial revolution, whose impact can already be noticed in the field of data processing and communications, demands from all of us a review of the overall question of international cooperation and solidarity, both among countries at the same or different levels of development.

Therefore, the expansion of exchange among Third World countries is a must, not only in the economic and commercial fields but also in the field of technical cooperation. Another example of this form of cooperation is taking shape in our region. I am referring to the Amazon Cooperation Treaty involving eight South American countries which have decided to cooperate in the search for their own solutions to promote the development of the population inhabiting an area as large as one third of the continent as well as to promote the preservation of that area for future generations.

I trust that an undertaking of that size will in time deserve the appropriate support from the Inter American Development Bank. Regarding the activities of the IDB, I point out with satisfaction the role played by its executive board and its administration in working out the basis for the fifth reallocation of resources which will apportion to the region close to $7.4 billion in the 1979-82 period.

Still referring to the fifth reallocation of resources, I am concerned about the gradual dwindling of the shares of capital subscribed by international development organizations, thus increasing the dependency on external sources of funds. This causes a loan-cost increase for the borrowers and a sharpened competition in the international market of capital. This policy has worsened the problem implied in foreign exchange risks which we are trying to bring into balance now and it has hindered the process of adjustment of balance of payments on a worldwide scale, thus distorting the function of the IDB as a mechanism to promote the development of the Latin American and Caribbean countries.

I must point out, in this context, the position adopted by Brazil and other countries in the "A" group which, although besieged by economic problems stemming almost wholly from recent crises in international supply of raw materials, demonstrated in the fifth reallocation of resources a real and effective spirit of cooperation with relatively less developed countries in order to close faster the disparities existing in the region.

In accepting a greater burden in the distribution of responsibilities, I would like to express my concern about the compliance in the future with the principles upon which the bank was created, and with the bank's objectives as a channel of external resources necessary for the development of the member countries in Latin America and the Caribbean. The tendency of transforming the IDB into a mere instrument of recycling resources among our countries must be reversed.

From this standpoint, I believe there is a need for more support from the IDB for regional programs. The fact that the bank has 50 percent of its funds earmarked for assistance to lower income groups represents a positive change in attitude. I think that this attitude to serve the real need of peoples should be reinforced. People in the lower income brackets must feel that we have a genuine interest in their lot in life. The signs of social dissatisfaction can be seen clearly everywhere. This demands that all of us work harder, with more sensitivity and efficiency in meeting the great challenge which lies ahead of us. Thank you very much.

PANAMA TO BE INVITED TO ANDEAN SUMMIT IN 1980

PA271956 Paris AFP in Spanish 1700 GMT 27 May 79 PA

[Text] Cartagena, Colombia, 27 May (AFB)--It was reported here today that Panama will be invited to the next summit meeting of Andean Pact countries' presidents 17 December 1980 at Santa Marta on the Colombian Atlantic coast. Agreeing on the site and date of the next summit, the presidents of Bolivia, Colombia, Ecuador, Peru and Venezuela explained that Panama will be invited to mark the 150th anniversary of the death of liberator Simon Bolivar. Next year's meeting will review the Andean Pact's development and the results of the conference being held here this weekend.

MAGAZINE ASSESSES CASTRO VISIT TO MEXICO

PY311819 Buenos Aires SOMOS in Spanish 25 May 79 pp 25, 26 PY

[Text] Mexico--Cuban dictator Fidel Castro stepped on Mexican soil the middle of last week and launched his predictible barrage of mysterious remarks. Reporters from international press agencies emphasized two of these remarks: "I did not come here to seek gas or oil, as has been the custom lately," in a clear allusion to Jimmy Carter's recent visit, and, "I do not need to bend down to kiss Mexican soil when stepping on it once again, since I always carry it in my heart," alluding to the gesture of Pope John Paul II who knelt to kiss the airport field when arriving here to inaugurate the Puebla episcopal conference.

Neither display of verbose wit caused much surprise. Such remarks are the "hook" with which the bearded Caribbean dictator traps unwitting audiences. What did provoke a lot of attention--especially that of the Mexicans themselves--was the unusual display of friendship put on by President Jose Lopez Portillo toward his guest. Among other boastful remarks made by Lopez Portillo during Castro's welcome, we heard him say this: "You are returning to Mexican soil after having restored the dignity of the Cuban people."

This is a treachercusly false statement. One can say anything about Castro except that he "restored the dignity of the Cuban people"--a people who have been virtually decimated by the abuses of the pro-Soviet revolution, and which during the past 20 years--by rare coincidence, Castro's term in power--have had the world record of exiles and more than 6,000 political prisoners in jail.

In addition, it was also obvious throughout Castro's stay in Mexico that the host wanted to honor his visitor as a "hero of modern times."

Castro left the Mexican coast in 1956 aboard a pitiful cargo boat--the Grandma--heading a ragged army of 82 rebels ready to oust then Cuban President Fulgencio Batista. Owing to a series of circumstances, that squad of adventurers won. After 3 years of guerrilla warfare from the foot of the Sierra Maestra, they arrived in Havana and took over the government. Batista had fled the island, and his soldiers--badly trained and even worse fed--decided to yield to the subversive army. And then the adventure's true intentions began to show their claws. The Castro clan--Fidel, his brother Raul, Che Guevara, Camilo Cienfuegos--built around themselves a diabolic bureaucracy of nepotistic character. Soon, they renounced the libertarian principles sustained during the previous years and enrolled in the band of the parasite-satellites of the Soviet Union. Political, economic and religious repression reached fanatical levels equalled only--years later--by the Viet Cong or Khmer Rouge guerrillas in Indochina.

Today, the leader of that small group of rebels permitted himself the luxury of returning to the coast from which his adventure began to be received with a 21-gun salute and a complete band of mariachis, which served as the backdrop for this out-of-tune welcome by Lopez Portillo: "You are one of the most outstanding individuals of our century."

If anything should be demanded of a leader, it is that he provide his compatriots with a constant example in conduct and political ethics, that he educate through his words and actions. However, with his actions of last week, Lopez Portillo dashed these expectations about him.

He did not know how--or did not want--to tell the truth, hiding behind this dictator of tropical lands who, while practicing his favorite sport of skindiving in the clear waters of the Gulf of Cancun, was holding prisoner some of his comrades from the old times of adventure and idealism, Commander Huber Matos, for example.

It is understandable--given the Mexicans' deep-rooted aversion toward their northern neighbors--that President Lopez Portillo should have recalled that phrase about "the enemy of my enemy is my friend." But we all know that popular sayings always have some exceptions. And even though Fidel Castro may appear to be Carter's enemy, it cannot be disputed that he is also the enemy of freedom.

And speaking about this, there is one logical question which remains in the air: What was the real purpose of this trip? Nobody is going to be naive enough to believe that the chief of state of a country (no matter what his moral standing) would stage such a display of action only to sign a document insuring the sale of part of its sugar crop to Mexico, especially if this country happens to be Cuba, which surely signs hundreds of these business agreements every year.

It seems that Castro's trip is part of a campaign designed to give Cuba greater international stature. This would serve as the basis for realizing one of the latest dreams of the summit conference of nonalined nations to be held in September, in which he would like to insure Mexico's presence as an active participant. Cuba's concern has not been ignored by observers, one of whom said with clear astuteness: "Mexico is organizing this meeting as if it were the Olympic Games."

Another reason that presumably drove Castro to visit his Mexican colleague lies in the imperious need to achieve a new official Mexican position with respect to relations with Washington, especially if this new position includes a decision to maintain low oil production, despite U.S. needs for Mexican crude.

Despite his initial bravado, Castro is trying to establish a system for purchasing Mexican oil, essential to continue feeding revolutionary excursions to Asia or Africa. Soviet oil--the only oil that now gets to Cuban ports--has to travel an extemely long way across the Atlantic, resulting in an exorbitant commercial cost. Concretely, Castro proposed to Lopez Portillo a method suggested by his friends at the Kremlin. The Russians would send their oil to Spain, and Mexico, in turn, would send to Cuba what had been earmarked for Madrid.

The system--apparently perfect--is actually unfeasible. According to the president of PEMEX (Mexican Petroleum), the state oil company which monopolizes the extraction and sale of Mexican crude, all oil production has been firmly committed to other clients until 1982.

However, not everything failed during the Caribbean dictator's trip; 2 days after his last talk with Lopez Portillo, Mexico brok relations with Nicaragua. The objective? To isolate Somoza, another nepotistic dictator, although Castro's political opposite. Not everything is measured with the same ruler...

FOREIGN MINISTRY OFFICIAL VIEWS NONALINED MEETING, DAMS

PY311800 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1103 GMT 31 May 79 PY

[Excerpt] Buenos Aires, 31 May (NA)--Col Carlos Cavandoli, under secretary of the Foreign Ministry, has reported that President Jorge Rafael Videla's attendance of the meeting of nonalined nations to be held in Havana in September "will depend solely and exclusively on any commitments he may have."

Cavandoli left yesterday for Colombo, capital of Sri Lanka (formerly Ceylon), to take part in the meeting of nonalined nations to prepare for the September conference.

Before leaving Ezeiza International Airport, he was asked about the Parana River dams. The under secretary said the Argentine Government trusts that the talks with Brazil and Paraguay on this issue "will be resumed" soon. He added: "We have been assured of this by the Brazilian authorities. We are only waiting for the right moment to resume discussion of the subject with Brazil and Paraguay, the other party in the trilateral talks. I would say that we are now totally prepared to resume the talks. We are only awaiting the appropriate announcement and the preliminary contacts to begin discussing the subject."

ECONOMY MINISTER REPORTS ON YACYRETA LOAN

PY301703 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1347 GMT 30 May 79 PY

[Excerpts] Buenos Aires, 30 May (NA)--Economy Minister Jose Alfredo Martinez de Hoz said today that the Inter-American Development Bank [IDB] has already approved a $200 million loan for the construction of the Yacyreta hydroelectric plant and pointed out that "we are now waiting for the World Bank to approve" a similar amount for the same project. These remarks were made from Jamaica to the program "Today in the News" broadcast by Radio Continental. The minister said that "this is a matter which will be resolved in a few days."

In assessing the IDB meeting which just ended, Martinez de Hoz said that "the result has been fruitful because we not only presented to this international forum--one of the most important in the world--the situation of the Argentine economic evolution which is of great interest to all countries of the world, but we also had an opportunity to talk with IDB and World Bank officials on credits for current and future projects.

FIRM POLICY TO BE MAINTAINED IN TALKS WITH PARAGUAY

PY211324 Paris AFP in Spanish 0051 GMT 31 May 79 PY

[Text] Buenos Aires, 30 May (AFP)--A high government official stated here today that Argentina will maintain its policy of firmness in its negotiations with Paraguay regarding the Yacyreta binational hydroelectric project. Jorge Eduardo Bustamante, under secretary for industrial development and adviser to the Argentine-Paraguayan Yacyreta enterprise, made a statement on the course of the negotiations upon his return from Asuncion, where he spent 48 hours. The local press stated that Bustamante took part, as a delegate, in the regular sessions the advisers of the binational enterprise held and at which routine subjects were discussed.

Questioned on the development of negotiations to reach a definite design for the location of the dam, he stated: "Argentina needs the energy to be produced by Yacyreta by 1985 or 1986. If any changes are made that could alter this schedule, Argentina will say no and build another dam in order to obtain the energy by that year. The national electric system demands this."

"Argentina has a firm policy which it has already demonstrated," the official added, indicating that the documentation has not yet been submitted to the World Bank--which will participate in financing this project--regarding the search for a definite design for the dam.

Bustamante added: "As is known, discussions regarding the project have come to a standstill because of the request made by Paraguay to a consultant firm for redesigning the dam to reduce the area to be flooded."

"The key to the financing is the participation of the World Bank and IDB (Inter-American Development Bank). The World Bank is closing its fiscal year and therefore there is an urgent need to confirm the project before 6 June," he added. "If the plan, the design of the project on which the whole engineering project depends, and even the security of the plant and its cost, is still subject to changes, therefore, we cannot say that a definite project has been submitted," Bustamante asserted.

"It is important to emphasize that Argentina has made an exceptional effort in this project and has demonstrated extraordinary capability in the international sphere. It is one of the few projects in the world that has obtained financing to even the last bolt and the last brick," the official said. "It is a question of $5 billion with a perfectly scheduled financing program at the lowest possible expense available at the present time in the market, which in turn is viewed as one of the most favorable in terms of time. Therefore, Argentina deserves to carry out this project under the most favorable engineering conditions for a hydroelectric plant," he indicated.

Paraguayan Proposals Rejected

PY010316 Buenos Aires TELAM in Spanish 0204 GMT 1 Jun 79 PY

[Text] Buenos Aires, 31 May (TELAM)--In a memorandum handed to the Paraguayan ambassador by the Foreign Ministry tonight, it is stated that the layout chosen by the Paraguayan Government for the Yacyreta hydroelectric complex calls for the construction of a dam on unstable land. This would cause a delay of 12 to 18 months in the schedule previously agreed on by both governments.

The memorandum also states that should the construction of Yacyreta be delayed, "an immediate revision of the Argentine energy plan will be necessary in order to give priority to other projects intended to help meet in the required time, the increase in the demand for electricity."

The memorandum, which is the Argentine Government's answer to the communique sent by the Paraguayan Foreign Ministry to the San Martin Palace, was handed at 2100 by Col Raul Cura, under secretary for international economic relations and acting foreign affairs secretary, to Paraguayan Ambassador Antonio Masulli Fuster.

The memorandum consists of five pages, and after recalling the successive steps taken by both governments in order to achieve the dam's construction, it notes that on 16 April the Argentine Government agreed to the Paraguayan request that the consulting firm Arza and Associates make an additional study to analyze the possibility of reducing the area to be flooded in that country while maintaining the project's general safety measures and the economic feasibility which made the financing of the project by international organizations possible.

On 19 May, it adds, the consulting firm submitted to both governments the results of the studies, which indicate the possibility of reducing the area to be flooded in Paraguay by 851 square km, thus maintaining Layout III.

In this study the consulting firm also analyzed the so-called Layout II-A, which involves an investment of an extra $250 million and which does not offer sufficient safety in the project's construction, and would also demand a new study which could delay the project for 12 or 18 months, a fact that would block its financing.

The Argentine Government approved Outlay III, and ye. the Paraguayan Government opted for Outlay II-A.

In conclusion, the Argentine Government has established the following:

1. The Government of the Argentine Republic has sufficiently demonstrated its desire to undertake the Yacyreta project, which, in addition to generating electricity with an abundant renewable resource, alsc includes valuable plans for the improvement of navigation, irrigation, roads and an extensive economic and social structure which will benefit the two countries.

2. The Government of the Argentine Republic has always been aware of the Paraguayan concern for reducing the area to be flooded in that country. Therefore, it has shared the decision to undertake the appropriate studies which have resulted in the possibility of reducing said area to 851 square km through localized corrections of Outlay III.

3. Outlay II-A, which the Paraguayan Government now favors, implies building a dam on unstable land with greater difficulties and risks during the construction stage as a result of the effects of extraordinary flooding. All of this would lead to unforeseeable delays in the project, including the corresponding uncertainty regarding its final cost. In addition, the maintenance of the dam, which is vital for its safety, would be made more difficult throughout its useful lifespan. This Paraguayan proposition implies the undertaking of new technical, financial and economic studies of the project, which would cause a delay of 12 to 18 months.

4. The Paraguayan decision also implies the impossibility of the Yacyreta project being financed and built with the participation of the Inter-American Development Bank and the World Bank within the forecast schedules, which therefore, would mean the postponement of the project.

5. In the event that the Yacyreta project is postponed for the reasons indicated in the previous point, it would be necessary to undertake immediately a revision of the Argentine energy plan in order to give way to other projects which will help to meet, in the required time, the increase in the demand for electricity. Such projects exist within the catalog of electricity projects which have been evaluated within the national equipment plan so that the supply of energy for the various markets in the country will be adequately guaranteed.

TALKS WITH RESTON UNPRODUCTIVE, LABOR LEADERS SAY

PY251600 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0014 GMT 25 May 79 PY

[Excerpts] Buenos Aires, 24 May (NA)--The leaders Cuevas and Enzo Frizzo of the Inter-American Labor Organization (ORIT) and the International Confederation of Free Trade Unions (ICFTU) respectively, stated tonight after a meeting with Labor Minister Llamil Reston that they had held "a frank but unproductive dialog as far as our requests were concerned, because he did not give us much hope that the comrades of the Commission of 25 would be released soon."

The international labor leaders stated that "we have been informed that they (the plenary meeting held at the CGT--General Labor Confederation--headquarters) had unanimously decided not to go to Geneva unless the imprisoned comrades are released first," and added that "we will support this decision if the delegation does not arrive in Geneva."

Cuevas said that the minister "has promised that there is a law, a draft law, which guarantees the right of association, but not at the third level."

Cuevas said: "We let him know that we wanted a law which would be in accord with agreements 87 and 98 of the International Labor Organization (ILO) which Argentina--as a member country--has ratified."

In response to a question, Cuevas reported that he had asked Reston permission to visit the leaders of the Committee of 25 who are under arrest, and the minister told them that "we will be told at the hotel whether we can do it in the morning."

He also explained that they would not meet with President Jorge Videla but that the labor minister "will convey to the president the exact purpose of our mission."

Then Cuevas explained his remark that "the minister did not give us much hope that the comrades would be released soon," by saying that the minister had stated that it is "a problem for the courts."

He added "But we believe that the law under which the comrades have been imprisoned goes against ILO agreements, and therefore the Argentine Government must honor them, and if there is a law which conflicts with the agreements, the government must change this law."

Cuevas continued: "It is the government, and not the courts, which changes the law. We do not share the minister's point of view because he says that this is within the court's jurisdiction and we say that it isn't because we recognize the responsibility of the executive branch. It was the executive branch which issued the law, which is in conflict with Argentina's own constitution. The order is first the constitution, then international agreements and then the law."

Concerning the way in which the Argentine labor delegation to the ILO meeting was selected and asked whether it could be questioned, Frizzo said: "The composition of the delegation is an internal problem of the Argentine workers and not ours, since we have nothing, absolutely nothing, to do with this."

Frizzo announced that "we are going to meet with the delegation tonight. We are going to listen to these comrades. The report we have is that they unanimously decided not to attend the Geneva meeting if their arrested colleagues are not first released."

In answer to a question, Frizzo said that this information was given to him by spokesmen: "Of all the groups, nobody questioned this decision." The ICFTU leader added that "we are going to support this position in case the delegation does not get to Geneva."

When asked for an explanation and what the ICFTU would do if the prisoners are not released and the delegation goes away, Frizzo said: "We'll see who goes. The ICFTU's attitude with regard to questioning the delegation depends a lot on who goes."

Frizzo commented that it was his understanding that the delegation of 14 labor leaders "represents the majority, and is therefore in accordance with the agreements. Nobody can challenge this delegation. Therefore, we shall see, because I think they are going to keep the promise of not going to Geneva if their colleagues are not free."

Labor Leaders Visit Jailed Colleagues

PY260336 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2240 GMT 25 May 79 PY

[Excerpts] Buenos Aires, 25 May (NA)--Members of the mission of the Free International Labor Movement, composed of representatives of ORIT (the Inter-American Labor Organization), ICFTU and the AFL-CIO ended their 3-day visit to Argentina today, and some of them left the country after personally expressing their solidarity this morning with the leaders of the Committee of 25 who are imprisoned in the Caseros jail for having called for an act of protest on 27 April.

Those who visited the Caseros jail were Enzo Frizzo (ICFTU), Julian Major (Canada), Jesse Friedman (AFL-CIO), Fernando Melgosa (FITIM) [expansion unknown], and Carlos Bedoya (FITIVO) [expansion unknown].

At the end of the visit Frizzo said they had expressed their solidarity to "those who are unjustly imprisoned for having done something which we can do freely and without obstruction in our own countries." Frizzo said that the arrest of these Argentine labor leaders was unjust because it was enforced under "a law which is at odds with agreements within the International Labor Organization (ILO)." Frizzo also reported that the arrested labor leaders were in good health.

Frizzo then said that "talking to the arrested labor leaders gave us much satisfaction, but this would have been even greater if we could have talked to them here outside, where we hope they will soon be." The international labor leaders said they were allowed to talk "freely and openly" with the arrested leaders and that they discussed the situation of the labor movement in Argentina.

LABOR MINISTER WILL NOT ATTEND GENEVA ILO MEETING

PY311353 Buenos Aires Domestic Service in Spanish 1030 GMT 31 May 79 PY

[Text] The nation's labor minister, Brig Gen Llamil Reston, will not attend the conference of the International Labor Organization that will take place from 6 to 27 June in Geneva because the study of several important matters will require his presence here. This was reported in a press release issued by the Labor Ministry.

Workers Delegation To Attend

PY311736 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1416 GMT 31 May 79 PY

[Text] Buenos Aires, 31 May (NA)--Hugo Barrionuevo, leader of the noodle workers, announced today that the workers delegation designated to participate in the ILO assembly will travel to Geneva. He said: "We hope that the arrested leaders of the Committee of 25 will regain their freedom tomorrow after the ruling of the Court of Appeals." Barrionuevo made this statement as the official spokesman of the workers delegation upon leaving the Labor Ministry, where he met for 1 and 1/2 hours with Labor Minister Llamil Reston.

ESCOBARI STRESSES CARTAGENA MANDATE'S IMPORTANCE

PY301609 La Paz Radio Panamericana Network in Spanish 1130 GMT 30 May 79 PY

[Excerpts] The Cartagena Mandate has rectified the territorial discriminations which existed and has abolished the geographical advantages in order to convert the integration process into a system permitting equal advancement for the Andean Pact countries. Foreign Minister Jorge Escobari Cusicanqui praised the spirit of that important document, particularly as far as Bolivia is concerned in its capacity of landlocked country.

[Begin Escobari recording] The Cartagena Mandate, signed by Bolivian President Padilla Arancibia, has rectified a discriminatory situation, thanks to an efficient diplomatic action. It has given subregional integration due sense and importance. It effectively seeks to abolish the geographical advantages [words indistinct] the suffocating landlocked situation of Bolivia. To a large extent it is also due to a new situation reigning in this hemisphere characterized by unanimous support for the Bolivian demand for a return to the sea. [end recording]

The foreign minister said that the declaration confirms once more the solidarity of the countries of the continent with Bolivia's maritime aspiration and Chile's present isolation.

[Begin Escobari recording] Bolivia no longer stands alone; there is American solidarity with its position which is in clear contrast to Chilean isolation. This American solidarity has been expressed in bilateral and multilateral statements in support of the Bolivian cause. There is now not a single country on the continent which does not give its support to Bolivia's return to the sea. Regarding the countries which have signed the Cartagena Mandate--Colombia, Venezuela, Ecuador and Peru--this act honors and dignifies them an underscores the friendship of those countries for Bolivia and their willingness to correct unjust situations, and also confirms express statements by those same countries in support of the Bolivian demand. [end recording]

At a press conference the foreign minister pointed out that in past times several countries of the continent had unilaterally stated their support for the Bolivian cause. The foreign minister listed those statements.

Foreign Minister Escobari said that this country is thus justified in bringing up its problem at international meetings, although this may not please Chile. Through the Cartagena Mandate the Andean Pact has received a real impulse toward an integration process in which all member countries have the same opportunity of achieving their development and progress.

He further said that Article 5 of the Cartagena Mandate refers to the economic aspect in relation to our landlocked situation. He cited the article as follows:

[Began Escobari recording] Bolivia's landlocked position, mentioned in Article 4 of the Cartagena Agreement, leads us to give instructions to the commission and the board to take the necessary measures to contribute, by collective support, to the solution of the problems caused by that situation in aspects related to the development of its transportation and communication infrastructure connecting it with the ports on the Pacific Ocean and to the broadening and improvement of the rules applicable to its transit trade, insofar as this is suitable. [end recording]

He also stressed the paragraph inserted in the document in which the Andean Pact countries state their appreciation for the cooperation efforts made by Bolivia and Peru by granting this country free zones in the ports of Ilo and Matarani.

BANZER DISCUSSES HUANUNI INCIDENTS AT PRESS CONFERENCE

PY311742 La Paz Radio Panamericana Network in Spanish 1130 GMT 31 May 79 PY

[Excerpt] The Political Committee of the Nationalist Democratic Alliance [ADN] will decide within the next few hours if Gen Hugo Banzer Suarez and his running mate, Mario Rolon Anaya, will continue their electoral campaign for the July elections. This was announced by the political group during a press conference. During the same press conference, held early this morning, General Banzer, accompanied by the leaders of the various parties which form the ADN, gave a short report on his tour of the interior and said that the people had enthusiastically filled the streets, but that frenzied groups of the Democratic and Popular Unity parties tried to disturb the rallies as soon as his group of supporters arrived. If these violent acts continue, the democratic process will run a serious risk, the former president said. He also stated that he does not believe this is a reprisal for the Santa Cruz events, as Siles Zuazo had proclaimed. He admitted that his decision to run for the presidency was made somewhat late, but he said he is certain the people will favor the ADN ticket because of the achievements made so far.

In another part of the press conference he said he would continue, together with his main coworkers, [words indistinct] make an appeal for reflection and good sense in view of the sabotage attempts, because the incidents in Huanuni affect the whole nation, not just a candidate. [passage indistinct] Former President Banzer then condemned the lack of guarantees on the part of the military government junta during the democratization process going on in the country. He praised the responsible attitude shown by the people of Oruro and said that the group which tried to disrupt the rally there only numbered to 30 or 35 people who fired their weapons and [words indistinct]

Banzer, Lechin Comments

PY010217 La Paz Radio Cruz del Sur Network in Spanish 2330 GMT 31 May 79 PY

[Excerpts] Gen Hugo Banzer Suarez, the presidential candidate of the Nationalist Democratic Alliance, today criticized the incidents which took place in the Huanuni mine center. The former president said that the electoral process will fail completely if incidents of this nature continue to occur. Meanwhile, it has been reported that a general assembly of mineworkers was held today in Huanuni with leaders of the Bolivian Labor Central [COB] and of the Mineworkers Federation of Bolivia [FSTMB] attending. The meeting was chaired by Juan Lechin Oquendo, who harshly condemned Banzer's supporters for firing at unarmed people in Huanuni camps. Unconfirmed reports have indicated that the mineworkers may call a work stoppage to protest the incidents. The COB and FSTMB msy hold a press conference in the next few hours to give a detailed report on the Huanuni incidents.

ARMED FORCES CONCERNED OVER POLITICAL PROCESS

PY311354 La Paz Radio Panamericana Network in Spanish 1130 GMT 31 May 79 PY

[Excerpt] The armed forces are looking with concern upon the development of the electoral process, according to General Azero. In any case, he said, the military junta government will continue with its constitutionalization efforts.

[Begin Azero recording] Well, we who have the responsibility of high command are following the process with great concern because everything is being done in a somewhat confused manner. No very clear options are seen so far. We hope that everything will develop normally and that our people will have the government they deserve, a government which will lead them toward prosperity and happiness within the framework of the constitution. [end recording]

YPFB EXPECTS $51 MILLION LOSS IN 1979

PY251826 La Paz PRESENCIA in Spanish 24 May 79 pp 1, 15 PY

[Excerpts] This year Bolivian Government Oil Deposits [YPFB] will experience, according to the organization's estimates, a loss of $51 million in its main operations as a result of the subsidy on fuel it seeks in the domestic market and the payment of its tax obligations. YPFB estimates that the production cost for a barrel of oil will be $20.09, but for its sales on the domestic market YPFB will only get an equivalent of $11.66.

The seriousness of the situation the organization is confronting was discussed by YPFB General Manager Jose Patino Ayoroa during a conference sponsored by the Chuquisaca civilian and development organizations. In 1974 YPFB had a total surplus of $68 million in its operations. During this period there was a hike in prices in the international market, as a result of the energy crisis. In 1975 this surplus suffered a considerable decrease totaling $16 million. In 1976 this decreasing trend continued and the YPFB surplus totaled $77 million. In 1977 the surplus was only $3 million. In 1978 there was an increase in the surplus in comparison with the previous year. It totaled $7 million. But this year YPFB estimates a deficit of $51 million.

YPFB obtained a $46 million credit in 1975 to cover its investments. In 1976 it obtained a $103 million credit for the same purpose; in 1977 it was a $109 million credit; in 1978 it was a $111 million credit, and this year it obtained a $47 million credit. According to YPFB figures, domestic consumption in 1976 totaled 15,900 barrels of oil per day and exports totaled 29,600. In the years following, however, the first figure increased and the latter decreased. In 1979 domestic consumption totaled 25,200 barrels of oil per day with exports (estimated) at 4,400. According to YPFB information, between 1972 and 1979 the price of a barrel of oil increased on the domestic market by 44 percent, while the increase in production costs for the international market increased by 693 percent.

It was also reported that YPFB spends $16.48 per barrel of oil through the processing of crude oil and its transportation and commercialization in the domestic market, and that because of the subsidizing of prices, taxes on sales (taxes on royalties and production, 11 and 19 percent, respectively, are included in the $16.48 cost) it obtains only $11.43 per barrel. Consequently it loses $5.05 per barrel. YPFB reported that in 1978 it sold 7,964,468 million barrels on the domestic market. This amount multiplied by $5.05 totals $40,220,567. The estimates for 1979 yield a cost of $20.09 per barrel and a sale price for the domestic market of $11.66 per barrel, which means a loss of $8.43 per barrel. It is estimated that consumption will total 9,194,715 barrels and that, therefore, the deficit between operation cost and sales will total $77,511,459 million.

The YPFB manager reported in Sucre that in 1974, seven wells were drilled; in 1975, six wells were drilled; in 1976, only five wells were drilled; in 1977, nine wells were drilled and in 1978, five wells were drilled. He added that the 1979 program provides for the drilling of 18 wells.

GUERREIRO INTERVIEWED ON FOREIGN POLICY

PY310132 Rio de Janeiro O GLOBO in Portuguese 27 May 79 p 8 PY

[O GLOBO interview with Foreign Minister Ramiro Saraiva Guerreiro in Brasilia--date not given]

[Text] [Question] More than 80 countries have PLO representations, as well as the United Nations itself. However, many PLO offices function only as private representations and not at the diplomatic level. What level will the PLO office in Brazil have?

[Answer] The government has been studying this matter and it is now too soon to make any comments on the decisions we may reach. At this time I can say only three things:

1. Palestinians are in fact represented in various ways in many countries, even in Western countries which maintain normal diplomatic relations with all the Middle Eastern countries.

2. As for Brazil, the government has long agreed to have an officer of the mission of the Arab League take care of Palestinian interests.

3. We base our overall attitude regarding the Middle East on well-defined principles we have stated time and again: withdrawal from occupied Arab territories, respect for the right of each state to peacefully survive as a sovereign entity and recognition of the Palestinian people's right to self-determination and independence. These principles were, of course, included in many UN resolutions.

[Question] Arab countries do not conceal the fact that petroleum is increasingly becoming a political weapon which will be utilized to defend their "legitimate interests." Doesn't this circumstance give the Arab countries overwhelming power to exert pressure on Brazilian foreign policy?

[Answer] Brazil does not follow a submissive foreign policy, nor does it yield to any kind of pressure. We have a long-standing foreign policy with a long tradition of defending national interests, and we would not discontinue this tradition at this time. Brazil and the Arab countries are friends. When Iraq nationalized its petroleum in 1972, Brazil did not yield to pressure exerted by those that wanted to impose an international blockage against Iraq. When the 1973 petroleum crisis broke out, Saudi Arabia included Brazil among the "friendly countries", thus guaranteeing a supply of oil to us at a very unsettled time. And just recently, Iraq assumed a positive position toward Brazilian interests when events in Iran caused concern over the world supply of petroleum. Our relations with Arab countries go beyond the strict petroleum framework. Our common interests are broad and diversified. Brazil is an important country for the petroleum exporters as a great consumer--and a serious purchaser. In addition, we are partners with much to offer to those countries in several areas of cooperation. Briefly, Brazilian relations with petroleum producers involve a variety of mutual interests. Of course, we are concerned over the consequences of the continuous increase in petroleum prices on our foreign debt; we are trying to find, with our petroleum suppliers, the means which, in the trade, financial and service sectors, will help to reduce the tremendous bilateral deficits in our transactions with some countries.

[Question] Would the recognition of the PLO involve agreement with its methods of fighting, according to the general concern which has been expressed? Would there be any risk in authorizing the opening of a PLO office in Brazil, to the point that they would use their methods on Brazilian territory?

[Answer] We all know that violence is today a widespread phenomenon. We not only regret that situation, we also condemn the many forms which violence can assume. The particularly unsettled situation in the Middle East is not, as a rule, preventing the other states of the international community from maintaining normal diplomatic relations at the embassy level with countries of that region. In the case of the Palestinian people, who do not comprise a state, but who certainly are a political fact, a good number of countries have accepted some kind of Palestinian representation in their territories. As I have said, there is a representative of the Palestinian interests in Brazil, within the LEA [Arab League] mission. The situation of violence described in the question fortunately has not taken place in Brazil. The Brazilian Government naturally has confidence in the good sense which has characterized the peaceful coexistence in Brazil of communities from the most disparate regions. This is our tradition, which we will try to maintain as a democratically oriented country which guarantees freedom of expression but does not accept violence.

[Question] Since the recognition of a country or of a movement such as the PLO does not involve the approval of its methods or ideologies, what are the reasons which do not yet allow resumption of relations with Cuba, and how are these reasons justified within the Brazilian foreign policy?

[Answer] The principle is always valid. It is not because Cuban has a regime different from ours that we have no diplomatic relations. Other principles which are incompatible with this justify our action. Merely analogous reasons, although they may be illustrative, are not sufficient. Everyone can see that each international situation has its own specific peculiarity, and the evaluation of the national interest is established within that peculiarity.

[Question] According to reports attributed to the U.S. Senate's Foreign Relations Committee, Brazil is emerging as one of the greatest powers in the Third World in war material, continuously increasing its exports of weapons. How can Brazil reconcile the positions assumed in international forums with its emergence as an arms exporter?

[Answer] Brazil is undoubtedly a country which seeks international peace and security. We are essentially, therefore, interested in disarmament. We are especially concerned about nuclear disarmament, a question which has been on the agenda since 1964 but has not yet found a solution. Either in terms of our gross product or of the size of our population or of the size of our territory, Brazil's military expenditures are considerably lower than those of other countries at the same level of development. The developed countries, of course, spend much more than we, even in relative terms. Regarding conventional weapons, we are a very small exporter. We do not promote sales in order to create military imbalance in the region. The international trade of weapons certainly surpasses $30 billion yearly. As far as I know, our sales are below $200 million. These facts makes the matter quite clear.

[Question] Does Brazil intend to establish cooperation programs in the nuclear area with other Third World countries? Is there a possibility that Brazil will export uranium to Iraq or to some other country, as has been reported?

[Answer] As far as I know, no country in the world has given up the possibility of establishing cooperation programs with other countries in the peaceful use of nuclear energy. The problem is in the existence of means, of the conditions which might allow that cooperation. Right now, the more developed countries in the nuclear sector--especially the United States and Western European countries--maintain cooperation in that field with a large number of nations. In addition, there are a growing number of developing countries which are interested in foreign cooperation in this sector, as a consequence of the limited availability of fossil fuel.

Within its limited possibilities, and respecting, of course, legal commitments, Brazil is capable of establishing cooperation programs with Third World countries, on a regular basis, regarding the sale of uranium. When Brazil has uranium available for sale, I do not see why we should not be able to sell it, if we want to, in accordance with acceptable international procedures.

[Question] Regarding imports--with compulsory transfer of nuclear technology--will Brazil be able to have other partners, or does it intend to become "tied" to Germany alone? Could France have a complementary role in the program signed with the FRG? In what sectors?

[Answer] I do not believe that Brazil might become "tied" to anyone in the nuclear sector. Our cooperation with the FRG is mutually beneficial, and from the Brazilian standpoint, it satisfies our interest in having effective access to technologies of the complete nuclear fuel cycle. The particularly tight cooperation with the FRG is perfectly compatible with complementary agreements with other countries.

ITAMARATY BEGINS NEW TRADE TALKS WITH KUWAIT

PY291801 Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 May 79 p 3 PY

[Excerpt] Brasilia--Not yet fully recovered from the negative repercussions of its understanding with the Iraqi vice president, Itamaraty today is beginning a new series of meetings with a Kuwaiti delegation headed by the Kuwaiti ambassador to Brasilia, Al-Ansarin, trying to find ways to compensate for the great trade imbalance between the two countries, which already reaches $500 million yearly as a result of petroleum imports.

The Brazilian-Kuwaiti joint economic commission, whose last meeting took place in Kuwait, has no political items on its work agenda in Brasilia, but the Brazilian group will be instructed to avoid the inclusion of any new reference to the Palestinian problem--especially to the creation of a PLO office in Brasilia--in the text of the final communique on the understandings which will probably be made public on Thursday.

OPPOSITION BLOC IN CHAMBER WALKS OUT TO PROTEST BILL

PY310251 Brasilia Domestic Service in Portuguese 2200 GMT 30 May 79 PY

[Excerpt] Since the Brazilian Democratic Movement's [MDB] bloc walked out of today's session, there was no quorum to vote on a request made by the majority leader in the Chamber of Deputies that priority be assigned to Senator Mendes Canale's bill postponing party conventions. MDB leader Freitas Nobre and deputy leader Fernando Lyra regarded Mendes Canale's bill as a maneuver designed to achieve two objectives: extension of the terms of mayors and councilmen and the dissolution of parties.

SAO PAULO JOURNALISTS DECIDE TO END STRIKE

PY291425 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 29 May 79 PY

[Text] The regional Labor Court has unanimously declared illegal the strike by Sao Paulo journalists. On learning the courts decision, the journalists held an assembly at the PUC [Pontificial Catholic University] auditorium and decided to return to work today. The movement began on 23 May but failed to receive the desired support from a sector of reporters. In addition, all newspapers have circulated normally despite the actions of strike pickets.

MATTHEI TERMS U.S. ATTITUDE 'INCOMPREHENSIBLE'

PY300026 Rio de Janeiro O GLOBO in Portuguese 29 May 79 p 15 PY

[Excerpts] "Measured on a 1 to 10 scale, the current Chilean process, which was initiated in September 1973 with the ouster of Salvador Allende, has reached 5 on that scale and should peak naturally with the elections in 1985 or 1986, without any need to worry about it," Chilean air force general and junta member Fernando Matthei Aubel told O GLOBO yesterday. He is visiting Brazil at the invitation of Brazilian Air Force Minister Delio Jardim de Mattos. Chile wants to maintain relations with all countries, regardless of their regimes, and including Cuba.

General Matthei sees no reason why Chile should not have relations with Havana. "It is Cuba which does not want to have relations with Chile, nor does the Soviet Union. But we have relations with the PRC, Romania and we are willing to have government-to-government relations with all countries in the world. The only thing that Chile does not accept is interference in its internal affairs by those countries. Chile never severed relations with those countries, but rather they broke off relations with Chile." About the tension between Washington and Santiago, which has worsened now with the Letelier case, General Matthei said:

"The problem is theirs. In the economic area, we have not received any assistance from them for 4 years already. They do not grant us any credit and even create difficulties for us in international financial organizations. They do not allow us to acquire armaments, not even replacement parts. The U.S. policy has not been very friendly and this is incomprehensible for the Chileans.

"Confronting crises with the United States and Argentina, Chile has to draw closer to Brazil. When problems come up with some countries, it is only natural to seek other alternatives. In the area of trade, we are open toward the whole world. For instance, our trade with the Soviet Union is today greater than it was during the Allende government, despite the fact that we do not maintain diplomatic relations.

"We have reached a record volume with Brazil, amounting to $500 million per year. This is so partly because Argentina began to set up restrictions against Chile. Naturally, Chile sought closer contacts with Brazil and this is advantageous for both countries, but if Argentina should remove those restrictions tomorrow, Chile will resume broad contacts with that country."

AMBASSADOR DISCUSSES TRADE WITH ARGENTINA

PY291615 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1156 GMT 29 May 79 PY

[Text] Mendoza, 29 May (NA)--Sergio Onofre Jarpa, Chilean ambassador to Argentina, who has launched a campaign in Mendoza to renew bilateral economic exchange, has reasserted that the southern border dispute "is in the hands of his holiness and therefore we must wait." The diplomat, who held a reception yesterday for journalists, explained that the objective of his visit is to renew trade between the two countries and that he started this campaign in Mendoza because for many reasons we feel closer to Mendoza than to other Argentine regions."

Jarpa noted: "We want to carry out a policy of understanding and it is only logical for us to start with Mendoza." He said that Argentina and Chile should not "lose our contacts so that when we settle our disputes, developed countries will (?not) take advantage of us." The Chilean ambassador noted that the two nations have always maintained strong ties from the beginning of their history and that therefore it is time to go further and achieve specific things. Asked what Argentine products Chile is interested in, he answered "all of them, but there is special interest in food, clothing and industrial machinery." Jarpa added: "Chile is becoming a good market for Argentine products, even more so if we take into account the fact that the short distance which separates our two countries will save costs in transportation and freight. Furthermore, we believe Argentine products are in a better position to compete with some European products." He said Chile is implementing an "open" economic policy, and added that he hopes that in the future there will no custom offices on the borders of the two countries.

POSSIBILE FOURTH BASE IN ANTARCTIC UNDER STUDY

FY300239 Buenos Aires LATIN in Spanish 0056 GMT 30 May 79 FY

[Text] Santiago, Chile, 29 May (LATIN)--The president of the Chilean Antarctic Institute, Hernan Lorca, said here today that Chile is studying the possibility of building a fourth base in the Antarctic territory jointly with China, Germany or another nation to exploit its natural resources for commercial purposes. He said that the exploration of the Chilean Antarctic with commercial purposes should begin in 1982 and that the exploitation of the natural resources may be carried out 3 years later.

The three Chilean bases are: Captain Arturo Prat in Chile Bay; General Bernardo O'Higgins in Covadonga Bay; President Gabriel Gonzalez Videla in Paraiso Bay; and the President Frei Meteorological Center on King George Island. The fourth base, President Pedro Aguirre Cerca on Deception Island, was destroyed in 1969 by repeated volcanic eruptions. Lorca explained that despite the fact that the Antarctic treaty aims at scientific and cooperation purposes, the concept of exploitation has been taking form and the initial purpose has been losing ground. Lorca said: "In view of this situation, Chile cannot spare sacrifices or investments, otherwise it would be losing its continent." He emphasized the need to create a national awareness aimed at allocating resources for research on the frozen continent.

Lorca stated: "We say that the Antarctic is ours but we have not explored it beyond the Weddel Sea and never south of Marguerite Bay. We have not been able to break the polar circle and we will not do it until we have an icebreaker." He said that the exploitation of the Antarctic territory is important because of its mineral resources, hydrocarbons and animal life, but that there is no interest now to invest in them since it does not seem profitable and demands immediate expenditures. Lorca said that it is possible for Chile to solve the financial problems by establishing a joint base with China, Germany or another country or by establishing an Antarctic corporation with private capital.

PROSECUTOR ORDERS RELEASE OF 12 UNDER ARREST

FY311413 Santiago Chile Domestic Service in Spanish 1100 GMT 31 May 79 FY

[Text] Prosecutor (Hernan Montero) of the First Military Court has ordered the release, prior to consultation with the Superior Military Court, of the 12 people arrested on charges of attacking the police. The Superior Military Court will consider the decision this afternoon at a hearing with the defendants' lawyers, (Pablo Parodi) and [name indistinct]. Prosecutor (Montero) ordered the release in view of the fact the proceedings which had been pending--the reason the court denied the release last week--have now been completed. These proceedings included a confrontation between the accused and the police personnel who arrested them during the Labor Day street demonstrations.

PRESIDENT PLEASED WITH ANDEAN SUMMIT RESULTS

PA291619 Quito Cadena Ecuador Radio in Spanish 1100 GMT 29 May 79 PA

[Excerpts] Attaching importance which transcends the subregional level to the Latin American level to the Andean presidents summit, Supreme Council of Government President Adm Alfredo Poveda declared that the document signed in Cartagena reaffirms the political will and strengthening of the integration process. Poveda returned to Quito amid a steady rain. He was greeted at Mariscal Sucre airbase by Gen Guillermo Duran Arcentales and cabinet members. Wearing a white uniform, Poveda responded emotionally to the congratulations expressed by the military chiefs and cabinet members.

The Cartagena Mandate, he noted, has imparted a new impetus to the process, making it more realistic and in keeping with the structural characteristics of the member countries and their complex interrelationship. The integration process of the member countries has been invigorated, he stated, adding that the coming decade will be fertile for achievements that will mark the historic destiny of the Bolivarian countries.

[Begin Poveda recording] I am especially pleased to be back in the country after participating in the Cartagena Andean presidents summit. Important decisions were adopted, not only for the Andean subregional member countries, but for all of Latin America and for developing countries. The document which we signed, known as the Cartagena Mandate, is the result of an overall evaluation of the integration process during the 10 years of its existence up until now and the course of its future programs. In this regard we adopted decisions aimed at its permanent strengthening which will lend it more dynamism and efficiency.

The Cartagena Mandate consists of two parts. The first reaffirms the political will of support and at the same time makes a political analysis of the significance of integration and the goals pursued, the importance of the Andean Pact vis-a-vis other integration systems, its projections in Latin America, and the role of the member countries in regard to their contribution to defining a new international economic order based on justice and aimed at satisfying the basic aspirations of man in a climate of peace and liberty. [end recording]

Subsequently, newsmen approached the Ecuadorean chief of government at Mariscal Sucre airbase. [Begin recording] [Question] Mr Admiral, what was the attitude of the Andean Pact presidents regarding the 29 April elections for our return to a de jure regime?

[Answer] At the national and international press conferences which I attended in Cartagena, I manifested the reality of our democratic efforts, the reality of our initiative, the reality of the positive civic attitude of its [word indistinct]. I think that this process has had a resounding echo among the countries of the Andean Pact still ruled by juntas or military governments, which have given an analagous response to our proposals on returning to a democratic system. I believe that Ecuador is experiencing a great positive moment because the armed forces, based on fundamental principles, have taken a decisive and opportune step forward in restoring democracy, which is much noted, analyzed, and discussed, especially at the Andean group level.

[Question] Mr President, what aspects were broached with the Peruvian president?

[Poveda] I have said that I held talks with the various presidents. With him in particular I discussed the regrettable incident involving the trawler. We analyzed the situation. Of course, we have lodged the corresponding protest based on our national principles, but at that moment of integration, however, we calmly reviewed the existing problem and agreed to issue norms. Directives that will establish guidelines on the border where both their ships as well as ours may coexist [words indistinct] within the spirit of integration, and spirit of unity. The effective concepts which the governments have expressed on this occasion are in accord with the ideals of our liberators, this magnificent ideal of integration.

POVEDA VIEWS DEMOCRATIZATION PROCESS, FUTURE GOVERNMENT

PA301421 Madrid EFE in Spanish 0228 GMT 30 May 79 PA

[Text] Quito, 29 May (EFE)--Ecuadorean military government chief Alfredo Poveda denied today that Ecuador's democratization process contains impositions that will be irreversible in the future. The process, which began 3 years ago, will conclude on 10 August when President Jaime Roldos and 69 legislators elected 29 April will take office. According to a statement by Poveda published in EL COMERCIO today, parliament has to decide whether to review the national security law, which various sectors have charged is repressive.

Regarding the appointment of the defense minister in future civilian governments, who according to the armed forces law should be a general in active service, Poveda said that this was an "aspiration" aimed at maintaining a "democratic body" in the cabinet. He added that the military front had adopted this position to avoid a repetition of occasions when the armed forces were directed by persons who had nothing to do with them and did not understand their principles. The ruler recognized that "the military front cannot oppose constitutional provisions that leave the president free to appoint his ministers and, since it is sensitive to the concerns, a solution beneficial to the fatherland must be sought."

Poveda stressed his government's efforts to reestablish democracy since it reached power in 1976. The armed forces, he said, have promoted the organization and strengthening of political forces and created an atmosphere of freedom. Regarding the future government, Poveda said that all Ecuadoreans must cooperate so that it will be successful and democratic life will be permanent. He indicated that the regime is willing to correct all mistakes or defects of the plan to reestablish democracy or the provisions which have guided it so that the return to democracy will be perfected and strengthened in the way the Ecuadorean people desire.

PRESIDENT BLAMES 'FOREIGN FACTORS' FOR PERU'S CRISIS

PA271957 Paris AFP in Spanish 1653 GMT 27 May 79 PA

[Excerpts] Cartagena, Colombia, 27 May (AFP)--Peruvian President Div Gen Francisco Morales Bermudez here today blamed "foreign factors" for his country's crisis, but added, "we are coming out of it."

During a press conference, Morales Bermudez referred to Peru's present political, social and economic situation; freedom of the press; and the perspectives of the Andean group. He also reiterated his support for Bolivia's aspirations to an outlet to the Pacific.

President Morales Bermudez was bombarded with questions about freedom of the press but kept his composure when the armed forces were accused of having expropriated newspapers and magazines. "I am not in favor of expropriation," he replied on 10 different occasions, and he explained that in 1974 expropriation could have been avoided through a legal instrument to defend Peruvian sovereignty and social order. "A formula is being studied to return the expropriated newspapers to their rightful owners," he said.

Morales Bermudez explained that the Peruvian economic crisis is the result of "foreign factors" such as the drop in the prices of the products "we export and a simultaneous increase in the prices of those we import." "We are overcoming the crisis," he added, and expressed hope that through the Andean Pact, which in his view must "bolster its potential" to negotiate with other markets, Peru will come out well ahead.

Concerning Bolivia, he said that "we support its outlet to the sea" and recalled that Peru has established two free zones in southern ports to allow free Bolivian trade. He announced that in order to improve this situation even more, Peru plans to carry out infrastructural communications projects "which will not only help us, but Bolivia as well." He said in conclusion that Peru will return to democracy through elections in 1980.

STUDENTS CLASH WITH POLICE IN PUERTO MALDONADO

PA311518 Madrid EFE in Spanish 0937 GMT 31 May 79 PA

[Excerpt] Lima, 31 May (EFE)--Hundreds of students participated in serious confrontations with the police yesterday in the Amazon city of Puerto Maldonado, considered to be the center of rebellion of a vast jungle region against the central government. The Lima weekly OIGA reported on Monday on the agitation in the area, which was shaken by new outbreaks of violence yesterday. The weekly predicted a labor "revolt" in Peru's Amazon region.

The clashes between the police and the students occurred when the latter demanded the release of four local political leaders who have been accused of acts of subversion. They include Trotskyite Luis Caira, chairman of the so-called Struggle Committee of Puerto Maldonado, a university student named Ruiz and two teachers who were promoting a national strike announced by their central union. The few reports from Puerto Maldonado, located some 2,000 km southeast of Lima and which can only be reached by plane, indicate that the streets are heavily guarded. The police used tear gas and their nightsticks to break up the demonstrations.

Col Luis Justo, prefect of Madre de Dios Department--whose capital is Puerto Maldonado--has said that those under arrest are "ultraleftist activists" bent on staging acts of provocation and disrupting order. In its latest issue, the liberal weekly OIGA, citing as a source two correspondents sent to Puerto Maldonado, said that "popular brigades" are active in the region and that commerical flights to the city have been suspended as a precautionary measure.

FOREIGN MINISTRY CONFIRMS BPR WILL VACATE EMBASSIES

PA312308 Paris AFP in Spanish 2248 GMT 31 May 79 PA

[Text] Caracas, 31 May (AFP)--The Venezuelan Foreign Ministry confirmed here this afternoon that the 25 members of the People's Revolutionary Bloc [BPR] who occupied the Venezuelan and French Embassies will leave tonight for Panama, which has granted them asylum. It was learned that the insurgents will leave on a French plane and will be accompanied to the airport by the Apostolic Nuncio in San Salvador. Last week, Venezuela requested the mediation of the Holy See to solve the problem of the embassy occupation by the BPR.

INDUSTRIALIZED NATIONS URGED TO REDUCE OIL CONSUMPTION

PA310452 Paris AFP in Spanish 2050 GMT 30 May 79 PA

[By Jose Antonio Puertas]

[Text] Caracas, 30 May (AFP)--Today, Venezuela urged industrialized countries to reduce their oil consumption and proposed that crude oil prices be tied to a list of manufactured products, thus responding to the appeal that President Jimmy Carter made yesterday to OPEC members for increased production and curbs on price hikes. Energy and Mines Minister Humberto Calderon Berti recalled OPEC's repeated warnings against wasting fuel and affirmed that regarding prices, the only thing that the organization wants is to stabilize the purchasing power of a barrel of crude oil.

Calderon Berti has just returned from a tour of eight Middle East and North African countries, all of them Venezuela's partners within OPEC. We are convinced, he said, of the need to establish a longterm general price policy. We would also like to guarantee oil supplies at reasonable prices, but that cannot be separated from the exchange value of our exports, he added. The minister stressed that the purchasing power of a barrel of oil should be established in terms of the goods, services and technology imported from industrialized countries.

A 1979 barrel of oil has less purchasing power than a 1974 barrel. The increases in the prices of crude oil have always lagged and been lower than the increases in the prices of manufactured products, he affirmed. When after 2 years of price freezes, OPEC announced last December that it would gradually increase prices up to 15 percent in 1979, it showed that during that period of time the buying power of the so-called petrodollars had deteriorated by 45 percent. After that, the developments in Iran distorted the market and since then prices have been virtually freed in accordance with the law of supply and demand, the minister admitted.

Further on, he said that at OPEC's next meeting, which is slated to take place at the end of the month in Geneva, the organization should make a big effort to reestablish the single price system, "which took us 20 years to attain but is being affected today by unequal surcharges." Until 2 weeks ago, Venezuela had an established surchage of $1.20 above the average price of $15.54 established by OPEC. Other countries' surcharges varied between $1.80 and $4, and on the open market as much as $30 was being paid for each barrel.

The situation has been favorably exploited by the transnational oil companies, which during the first quarter of 1979 recorded exceptional profits, Calderon Berti said today. Directly referring to President Carter's statements yesterday, the minister said that industrialized countries should control their inflation rate and energy consumption. I respect President Carter's position very much, he said, and it is a pity that his program for reducing fuel consumption has not been received the way it should have been. The United States continues to be the world's main squanderer of energy.

Venezuela is currently producing an average of 2.35 million barrels per day, at almost 100 percent of its capacity, in order to satisfy the demands of its traditional clients, the minister indicated. That production rate represents 150,000 barrels in excess of the goal set by the state, but Calderon Berti insisted in saying that that rate does not mean that deposits are being exhausted or damaged. We are only extracting the amount we can extract efficiently. According to him, by increasing its production, Venezuela has proven once more that it is a trustworthy and responsible provider, but he noted that he trusts that the market will soon return to normal through a rationalization of consumption.

VENEZUELAN SOCIALIST MOVEMENT, PLO ISSUE JOINT STATEMENT

JN271843 (Clandestine) Voice of Palestine in Arabic to the Arab World 1615 GMT 27 May 79 JN

[Text] A PLO delegation has visited the Venezuelan capital, Caracas, where its members met with the command of the Venezuelan Socialist Movement-MAS. A joint statement was issued at the end of the meeting.

The joint statement stresses the nature of the historic and militant relations that bind the Palestinian and Venezuelan peoples. The two parties noted that the two peoples' struggle is an integral part of the struggle of the peoples of the world. The MAS stressed its solidarity with the Palestinian people's courageous struggle against the injustices U.S. imperialism and Zionism have inflicted on them, resulting in their displacement from their homeland. The MAS condemned the Begin-As-Sadat-Carter capitulatory agreement and considered it a step that will contribute to increased tension in the area. The MAS further stated that a successful solution to the Middle East issue should take into consideration the just settlement of the Palestinian issue and recognition of the Palestinian people's right to return to their homeland, to determine their own fate and to establish their independent state on the soil of their homeland. The only way to establish a just and lasting peace in the Middle East is through a comprehensive peace in which all the parties would participate, including the PLO, the Palestinian people's sole legitimate representative.

The MAS called on the Venezuelan Government to allow the PLO to open a permanent office in Caracas.

The statement concludes that the two sides outlined the importance of exchanging visits and holding meetinigs to exchange viewpoints and to strengthen the friendly relations between the PLO and the MAS.

ROYO SPEAKS AT OPENING OF CONGRESS OF MAYORS

PA312323 Panama City Domestic Service in Spanish 1435 GMT 31 May 79 PA

[Speech by President Royo at inauguration of first congress of mayors in San Francisco, Veraguas--live]

[Text] Assembly [of Corregimiento Representatives] President Juan Barba, Government and Justice Minister Adolfo Ahumada, Finance and Treasury Minister Ernesto Perez Balladares, president of the Congress, Mayor Navarro of David, vice presidents, mayors and governors present here, honorable Corregimiento representatives of the historic and noble town of San Francisco:

I warn you that I will be very brief, because as soon as I declare this congress open I would like to take a few minutes to talk with the various provincial spokesmen so that these mayors can give me some ideas, because this is to be a working congress. I hope this congress will be conducted and completed satisfactorily and will solve the problems affecting the mayors so they can carry out their duties better. Prior to learning of your specific demands, which will be discussed during the 2 or 3 days of the congress, I would like to tell you that we hope to find solutions to your problems jointly, with the help of the provincial authorities, mayors and other authorities in the country. We know some of your problems, and others we still have to learn about.

Before opening the congress, I would like to express, on behalf of the government team, the executive branch and the revolutionary process, our appreciation for these resolutions, which represent support. But more than support, they represent encouragement by telling us to move forward, to continue on and apply that old Arab proverb which says that he who arrives home late stopped along the road to throw stones at dogs that were barking at him. These resolutions also tell us to apply that passage from Don Quixote which also concerns dogs and which says: "The dogs are barking, Sancho; that means we continue to ride."

Despite the difficulties that trip us up along the way--some of which stem from domestic problems and others from problems abroad and which affect our economy and try to damage and undermine the groundwork of our democracy--this congress of mayors, popular mayors, who have come here to the historic town of San Francisco to meet without official support, is telling us to continue to try to overcome these difficulties by gathering in fraternal unity so that Panama will develop, our democratic process will be strengthened and the country will continue to be respected by the rest of the world.

I thank you for all those words of encouragement which have impelled our government to move forward. We know these words are worth a great deal. They represent advice and encouragement, which must be given to those who are conducting the task of continuing, strengthening and deepening the revolutionary process that started on 11 October 1968.

Consequently, it is enough for us to reaffirm to you some of the things that concern our country at this time. First I want to tell you, so that when you return to your districts you can report it to your communities, that this process and this people led by this government, which I am honored to head, will not take one step backward regarding the implementation of the Torrijos-Carter treaties. If the United States fails to comply with the implementation of the treaties and the commitments made under the agreements signed in 1977, Panama will not tolerate the vexing noncompliance and will carry out the necessary struggle to insure that the United States keeps its word. And what is more important, Panama's entry into the former Canal Zone will not be dependent on whether the legislation in the U.S. Congress comes out good or bad.

I trust that all Panamanians will be there with the country's 75 mayors in an appointment with history to enter the Canal Zone together on 1 October in order to take possession of [words indistinct because of applause].

The second affirmation is international in scope, but it also concerns our internal position as a country. Panama reiterates its principle of nonalinement. It reiterates its position as a member of the nonalined movement, a movement that promotes nonalinement over any policy of blocs. It is a movement that struggles to prevent any economic, social and political system from being forcibly imposed on another country from abroad. It is a movement that promotes the struggle for peace and international detente. As members of the nonalined movement, we are proud to say that the movement believes each country will find the solutions it deems more just and closer to its own characteristics, feelings, thinking and expression.

We are proud to live in a country such as Panama which, because of its nonalinement, does not belong to any orbit or sphere and is an independent country with its own list of friends. It is a list that cannot be imported, just as others abroad cannot tell us which countries will be our enemies. This is part of our essence as a nation and our self-determination as a sovereign country. Consequently Panama will continue to be a member of the nonalined movement and to struggle for those principles that Yugoslavia, India and other countries opportunely proclaimed when the nonalined movement was founded.

The third thing I wanted to tell you is that we should never feel ashamed or feel that Panama has to struggle at home or abroad to assert that we are a democracy.

It is international known--and all countries are recognizing it as such--that Panama is not only a democracy but one of the best democracies on the continent [applause] not only because freedom of thought is respected here. But we will refer to that later on. [We are a democracy] not only because freedom of expression is respected here, not only because freedom of assembly--although certain abuses have been committed--is respected here, not only because the honor and property of all Panamanians are respected here, but because, in addition to these considerations which make us a democracy, we have a system of representation that is truly based on the people. It is a system that allows our legislators to be teachers, peasants and workers. Therefore, a man from Santa Isabel, Sona, Darien or Garachines, or a woman from Garachines, because in this case the legislator is a woman, may sit in a forum and dictate the laws that rule this country. It also permits this system of representation to have the essence, basis and roots of the Panamanian fatherland.

We are a democracy because of all this and because after all these years we have given ourselves a regime which allows the common man to have access to the most representative positions of our democracy. We have a democracy formed in our own style, not in the style of Colombia, France or Italy but in the Panamanian style. It is a democracy that permits the Indians from Darien, Bocas del Toro and Tole to work jointly with the teacher, the peasant, the farmer, the professional, the businessman and the manager for the fatherland in a national legislative council, in a national assembly of Corregimiento representatives, in a municipality or in a community. We are also a democracy because we live a peaceful life, because we respect human life and because conditions in Panama are such that those coming into the country will feel safe. We do not want our democracy to be destabilized because our mission as rulers, although we have to adopt measures that "sound unpopular," is to preserve the democratic system and prevent its destabilization.

The government must insure that abuses are not committed, persons are not insulted, dignities are not undermined and falsehoods are not stated on behalf of a rightfully-loved freedom. The government must procure freedom of expression and assembly jointly, with respect and peace for all Panamanians. Consequently, one must oppose those statements that violate the laws respecting the human dignity of all Panamanians. These laws are contained in the Constitution and prevail in a democratic system.

Gentlemen, there can be no democracy if there is no profound respect among all Panamanians. It is our government's duty to see that the truth is stated in criticizing the government, civic oraganizations and private enterprise. However, we must always try--especially when one is responsible for a communications medium, be it spoken, written or visual--to tell the truth and never hide behind lies in order to please certain persons. For this reason it is our governmental duty, and we will comply with it as long as it is necessary and appropriate.

Finally, I want to tell you that we have great faith in you. I want to tell you that the mayors--who are representatives of the executive branch and who have worked in coordination with the governors since 1972, and even more since the 1973 constitutional reforms--are part of the system of democratic and popular representation. Consequently, we have great faith in the mayors, who are part of the executive branch at the district level, part of the municipal council and part of the system of popular representation. The mayors must struggle for and watch over the interests of their districts. They must also voice the problems and needs of their communities and work jointly with the Corregimiento representatives in order to struggle for the development of their areas.

We know that the topics that will be discussed here include the economic development of the districts and the creation of a positive regime that--without affecting the national treasury, which must watch over large projects, which enabled us to get here in 20 minutes and which provides for centers such as this and health centers and schools--will result in more revenue for the districts. We know that the topics you will discuss here will be patriotic. We know that they will be topics that will strengthen this democratic system we have in Panama today. I want you to know that you can count on the full support, affection and warmth of the executive branch for the results you will achieve and conclusions you will reach in this congress in San Francisco of Veraguas.

We are waiting anxiously for the congress to conclude on Saturday so that on Monday the executive branch can begin studying the solutions and suggestions that will stem from this congress. [applause] I wish you much success in the task you are about to undertake at this time, and may you always continue working with this very Panamanian patriotic enthusiasm. We hereby formally declare this congress open. Thank you. [applause]

PAPERS REPORT TWO CABINET MINISTERS RESIGN

PA312041 Panama City Circuito RPC Television in Spanish 1800 GMT 31 May 79 PA

[Summary] Although the presidency has denied any knowledge of the rumored resignation of Alfredo Orange Bustos, agriculture and livestock development minister, the three morning newspaper have reported it as a fact. LA ESTRELLA DE PANAMA said the reasons for his resignation are unknown. A succinct headline on CRITICA's front page says "Orange Resigns." A MATUTINO column says Commerce and Industries Minister Juan Jose Amado has also resigned.

COSTA RICA

GOVERNMENT DENIES COMPLICITY WITH SANDINISTS

PA010040 Paris AFP in Spanish 2349 GMT 31 May 79 PA

[Text] San Jose, 31 May (AFP)--The Costa Rican Government has emphatically denied that an invasion of Nicaragua is being prepared in Costa Rica to help Sandinist guerrillas who are supposedly cornered in the border town of El Naranjo. The charge was made by Nicaraguan authorities, who reaffirmed charges of complicity by the Costa Rican Government with the Sandinist Front in the last few days.

The Costa Rican Government has rejected these accusations as having no factural basis. Col Fernando Munoz, director of the Civil Guard, said the OAS observers are present and can verify that Costa Rica is maintaining its position of neutraility. Munoz had orders to meet with the OAS observers and Nicaraguan military officers on the border so the latter could indicate the position of the Sandinist forces who were supposedly located in Costa Rican territory.

NICARAGUA SAID IN NO POSITION TO INVADE COUNTRY

PA010149 Panama City ACAN in Spanish 2353 GMT 31 May 79 PA

[Excerpts] San Jose, 31 May (ACAN-EFE)--Costa Rican Public Security Minister Juan Jose Echeverria Brealey said today that the Nicaraguan Government is in no position to invade Costa Rica. Echeverria said in a news conference that "Somoza is in no condition to invade Costa Rica, not only because he has no reason--and he knows this--but also because he does not have the means. He is being attacked on three fronts inside Nicaragua, and apparently all of them are strong."

The minister also said he has no knowledge that the Central American Defense Council (CONDECA) is planning to meet soon in Honduras. Among other things, that meeting would be held to analyze the critical political situation in Guatemala, El Salvador and Nicaragua. The minister declined to comment on the possiblity that Costa Rica might attend that meeting, and noted that such a decision would have to be made by President Rodrigo Carazo and Foreign Minister Rafael Angel Calderon. Since Costa Rica has no army, it participates within CONDECA--which is comprised of Central American armies--as an observer.

Echeverria also said the Nicaraguan rebels' chances of overthrowing General Somoza's government militarily are very small. He added that the only means of achieving this is through a popular insurrection like the one that recently occured in Iran and led to the shah's downfall.

Further Remarks

PA311514 Buenos Aires LATIN in Spanish 0146 GMT 31 May 79 PA

[Excerpts] San Jose, 30 May (LATIN)--Juan Jose Echeverria Brealey, Costa Rican public security minister, said Costa Rica, the only Latin American country that does not have an army, could request military assistance from friendly countries such as Mexico, Panama and Venezuela in case it was invaded by the Nicaraguan Army. Echeverria did not discard this possibility when he was queried during a news conference.

Echeverria said the military agreements signed with Venezuela and Panama last year are still in force. In case of armed Nicaraguan aggression, we can make use of the terms of those agreements, if it should become necessary, the minister said.

Echeverria said that the situation on the border with Costa Rica is absolutely calm. However, he added that yesterday there was fighting at five points close to the border point of Penas Blancas, between Penas Blancas and Rivas, 60 km north of the border inside Nicaragua. The FSLN blew up a bridge, which will take 10 to 15 days to repair.

Meanwhile, Foreign Minister Rafael Angel Calderon Fournier cut short his trip to Spain today and will return to Costa Rica tomorrow.

EL SALVADOR

DIPLOMATIC CORPS ASKS FOR TIGHTER SECURITY MEASURES

PA010328 Buenos Aires LATIN in Spanish 0355 GMT 31 May 79 PA

[Text] San Salvador, 30 May (LATIN)--According to diplomatic sources, during an emergency meeting called to analyze the assassination of the Swiss charge d'affaires here today, the diplomatic corps accredited in El Salvador agreed to ask the government to implement tighter security measures. According to the sources, the meeting was held in the home of the apostolic muncio in San Salvador and was attended by representatives of some 30 diplomatic missions accredited here.

REBELS REPORTEDLY TO RELEASE FRENCH HOSTAGES

PA312147 Paris AFP in Spanish 2124 GMT 31 May 79 PA

[Text] San Salvador, 31 May (AFP)--The Peoples Revolutionary Bloc announced here that it will release today the French ambassador, his three assistants and two Salvadoran employees who have been held hostage since the 4th of this month in the French Embassy in El Salvador. The information was issued by a reliable source.

BPR Announcement

PA312211 Panama City ACAN in Spanish 2159 GMT 31 May 79 PA

[Text] San Salvador, 31 May (ACAN-EFE)--Peoples Revolutionary Bloc spokesman have said that the French and Venezuelan embassies will be vacated at 1600 today. Nine BPR members have occupied the Venezuelan Embassy since 11 May, and 16 bloc members have occupied the French Embassy since 4 May. The BPR members will be given asylum in Panama and will leave for that country today, according to the spokesmen.

BPR Terms

PA010334 Paris AFP in Spanish 0247 GMT 1 Jun 79 PA

[Text] Caracas, 31 May (AFP)--The members of the Peoples Revolutionary Bloc (BPR) who accepted asylum in Panama did so only as an exception and as a gesture of friendship toward Venezuela and France, according to Victor Croquer, Venezuelan charge d'affaires in El Salvador. In a telephone interview from San Salvador with VENPRES' Croquer gave an account of the negotiations whereby the 25 BPR members agreed to leave the embassies they occupied at the beginning of May.

Last night I told them, the diplomat said, that it was time to put an end to the situation, and the BPR members delivered a communique to him this morning accepting the proposed asylum.

They demanded four other conditions: To travel on a Panamanian plane; that the plane be at the airport on their arrival; that all 25 BPR members (18 at the French Embassy and 9 at the Venezuelan Embassy) [as received] travel together; and that they be accompanied by the nuncio as far as the airport. In the past few hours they reportedly announced their decision not to travel at night but to wait until daylight. Therefore their departure from the embassies and from the country should take place tomorrow.

FAPU GROUP OCCUPIES SAN SALVADOR CATHEDRAL

PA311857 Panama City ACAN in Spanish 1834 GMT 31 May 79 PA

[Excerpt] San Salvador, 31 May (ACAN-EFE)--Members of the leftist United Popular Action Front (FAPU) seized the Cathedral of San Salvador at noon today, Thursday, explaining that they did so to protest the violent death of several FAPU activists. Msgr Modesto Lopez, who is inside the cathedral, located in this capital's downtown area, told ACAN-EFE that the FAPU militants had told him that they intend to stay there for 72 hours. FAPU seized the "Calvary" church on 28 May for the same reasons and voluntarily vacated it 48 hours later.

HONDURAS

DEFENSE MINISTER REPORTS CONDECA TO MEET SOON

PA311850 San Jose Radio Reloj in Spanish 1630 GMT 31 May 79 PA

[Text] Tegucigalpa--Representatives of the Central American armies will meet in the next few days to analyze the situation in Nicaragua and El Salvador. Honduran Defense Minister Col Diego Landa Celano said the date and place of the meeting have not yet been decided. He added that the meeting will be attended by the member countries and observers of the Central American Defense Council [CONDECA], which will elect a new president of the council. The minister indicated that the Honduran Government is studying the possibility of sending a representative to the meeting.

NICARAGUA

SOMOZA CALLS ON CITIZENS TO TAKE UP ARMS

PA311801 Paris AFP in Spanish 1746 GMT 31 May 79 PA

[By Paul Rutler, AFP special correspondent]

[Text] Managua, 31 May (AFP)--Nicaraguan President Anastasio somoza voiced a dramatic appeal today to all Nicaraguans to take up arms to defend national sovereignty on the third day of the great offensive launched by the Sandinist National Liberation Front (FSLN). The nation is living in an emergency situation, said a communique of the governing Liberal Nationalist Party signed by Somoza.

At the same time, fierce battles are continuing between Sandinist guerrillas and the National Guard in at least four cities: Naranjo and Rivas in the south and Leon and Puerto Cabezas in the north. According to an army spokesman in Naranjo--a small town of 5,000 inhabitants 5 km from the Costa Rican border--the Sandinists are surrounded. But the guerrillas' resistance is very strong, he added. In Rivas, where the guerrillas are also resisting military pressure, the army has retaken part of the city. In Leon, 90 km west of Managua, and in Puerto Cabezas fighting continues, but no details of the situation are known. After 2 days of fighting, neither side has been able to claim victory. At the present time the situation does not seem to favor either side.

The guerrillas said Wednesday night that the great insurrection and final offensive in Nicaragua was imminent.

The government today again accused Panama of having served as a base for the two planes that landed last weekend in Bonanza, northern Nicaragua. According to the Nicaraguan Government, the aircraft carried ammunition and reinforcements for the rebels.

The situation in Managua, by contrast, is strangely calm and there are no indications of a general insurrection. Only a few military patrols are moving along the main avenues of the capital and government employees are planting grass in the strip dividing the airport highway.

COSTA RICA ACCUSED OF MOBILIZING TO SAVE FSLN

PA311910 Buenos Aires LATIN in Spanish 1850 GMT 31 May 79 PA

[Text] Managua, 31 May (LATIN)--Nicaragua accused Costa Rica today of mobilizing troops to save the members of the internationalist brigade (Sandinist) from the National Guard's encirclement at El Naranjo, a National Guard communique has charged. The communique denounces the new aggression by the Costa Rican Government, which the Somoza regime has accused of serving as a base for a 300-man invasion 3 days ago.

FIGHTING CONTINUES ALONG COSTA RICA BORDER

PA010458 Paris AFP in Spanish 0337 GMT 1 Jun 79 PA

[By special correspondent Paul Rutley]

[Excerpts] Nicaraguan-Costa Rican Border, 31 May (AFP)--Violent fighting occurred today in the jungle-covered hills here between the Nicaraguan National Guard and some 200 guerrillas from the Sandinist National Liberation Front (FSLN).

For approximately 2 hours this morning foreign correspondents witnessed, from the almost inaccessible village of Ostional on the Pacific coast less than 4 km from the Costa Rican border, a battle that left 35 Sandinists and five government soldiers dead. The Sandinists, although surrounded, put up a solid resistance.

Guns from the light boat of the Nicaraguan Coast Guard also were firing support for the infantry. According to Col Enrique Jacoby, commander of government forces at the front, the rebels launched their attack from El Conventillo ranch, located in Costa Rican territory. Sitting in a rocking chair, Colonel Jacoby added that they are surrounded and are using recoilless 81-caliber cannons [as received]. Our main problem so far, he indicated, is provisions.

For the past 3 days the government of President Anastasio Somoza has been accusing Costa Rica of invading Nicaragua, or at least of having put at the disposal of the Sandinists its bases in the northern part of the country to invade Nicaragua.

Leon, Rivas Situation

PA311349 San Jose Radio Reloj in Spanish 1100 GMT 31 May 79 PA

[Text] There is fighting in Leon and Rivas. The Western Rigoberto Lopez Perez Front staff has been fighting in Leon since 0500 yesterday.

Clashes are taking place in (?all cities). Despite the fact that the Somozist guard is using heavy artillery and planes, the Sandinist squads are keeping the dictator's guard in check. Meanwhile, the columns of the Southern Benjamin Zeledon Front are maintaining their positions in Rivas Department, where the Somozist army has been unable to advance [words indistinct].

Foreign Students Killed

PA010348 Buenos Aires Latin in Spanish 0122 GMT 1 Jun 79 PA

[Text] Tegucigalpa, 31 May (Latin)--Six foreign students were killed today in the city of Rivas, Nicaragua, which has been the scene of violent fighting between National Guard troops and Sandinist guerrillas, a Honduran Government spokesman announced here. The spokesman said the victims--one Honduran, two Salvadorans, and three Guatemalans--were agriculture students at Rivas University. They were killed when a bomb exploded at the university, the spokesman added. He said that in view of the ongoing fighting between the Sandinists and the Nicaraguan Government forces, 25 Honduran students attending Rivas University will return to their country tomorrow.

National Guard Communique

PA312352 San Jose Radio Reloj in Spanish 2225 GMT 31 May 79 PA

[Communique No 52 issued by Col Aquiles Aranda Escobar, chief of the Nicaraguan National Guard Legal and Public Relations Office 31 May--read by unidentified National Guard officer]

[Text] National Guard patrols which were pursuing the mercenary terrorists that on 22 May attacked a supply convoy returning from Mosonte, caught up with the terrorists at 1000 on 31 May and put them out of action north of Los Planes del [word indistinct], 20 km north of Esteli. An undisclosed number of terrorists were killed in this clash. More information will be released once the aforementioned patrols have completed their mission.

Meanwhile, the departmental military command in Rivas seized the following military equipment abandoned by the terrorists: 6 RIG-2 disposable rocket-launching tubes, a (Tabas) 22-caliber rifle, cartridge clips for rifles, [word indistinct] knapsacks, olive-green and camouflaged uniforms, civilian clothes, machetes, rifles and a piece of red and black material. The patrols are also picking up other equipment left behind by the terrorists. Regrettably, Lt Rigoberto Antonio Buitrago Tejeira has been reported missing during the fighting in the zone of El Naranjo. The National Guard is in control of all national territory to guarantee that the constitution and laws of the republic are being respected.

[Signed] Col Aquiles Aranda Escobar.

Chilean Assistance Reported

PA010408 (Clandestine) Radio Sandino in Spanish 0317 GMT 1 Jun 79 PA

[Text] According to reports sent to Radio Sandino from our mobile unit No 1, a Chilean ship loaned to the genocidal Somoza by his colleague, the bloody Augusto Pinochet, has intervened and is trying to shell our positions in El Naranjo.

The participation of this ship is another step taken by the Nicaraguan tyrant in an attempt to internationalize the profound political-military crisis which will lead to his total defeat. Radio Sandino makes this charge against the fascist military junta ruling Chile which, not satisfied with murdering the Chilean people, has sent the above-mentioned naval unit to support the genocidal Anastasio Somoza.

Salvadoran Naval Vessels

PA311536 San Jose Radio Reloj in Spanish 0440 GMT 31 May 79 PA

[Excerpt] Radio Sandino has just charged that the gunboats are Salvadoran and accused the Salvadoran Government of intervening in the insurgents' struggle, which is solely the struggle of the Nicaraguan people. It warned that the struggle belongs to the Nicaraguan people and that the Salvadoran Government is now intervening by sending deep-draft gunboats, which the Nicaraguan Government does not have. They are off Naranjo's coast, near Puerto Cabezas, which is now in Sandinist hands and was violently shelled all afternoon.

Our listeners will remember that during news flashes we broadcast in the afternoon directly from La Cruz, we reported--and you could even hear--the violent shelling. The people of La Cruz and Guanacaste could see the gunboats very clearly from a distance. Radio Sandino said today that these are foreign gunboats or, in other words, that they do not belong to Somoza's government but are Salvadoran. Radio Sandino continued calling for a general strike in Nicaragua and asked the people in every town to store enough water and food because what is coming now is a general strike and Somoza's downfall.

National Guard Bombs Naranjo

PA3117118 Paris AFP in Spanish 1711 GMT 31 May 79 PA

[Text] Managua, 31 May (AFP)--Nicaraguan Air Force planes are bombing the town of Naranjo, about 5 km from the Costa Rican border where Sandinist Front guerrillas have been holding strong positions since yesterday, it was reported here today.

Nicaraguan patrol boats, accompanied by a ship without a name or flag, were bombarding the zone yesterday afternoon but no reports have yet been received of casualties in the Sandinist ranks or among the civilian population.

DETAILS OF 31 MAY SESSION OF PUERTO RICO SOLIDARITY MEETING

FL311801 Havana Domestic Service in Spanish 1700 GMT 31 May 79 FL

[Text] Sessions of the meeting preparatory to the Second International Conference of Solidarity with the Independence of Puerto Rico continued [today] chaired by World Peace Council [WPC] President Romesh Chandra. The drafts of a call to the Second International Conference of Solidarity with the Independence of Puerto Rico and of an action program to develop this important event, which will be held in Mexico late this year, were discussed and approved during the morning session.

The call stresses that the Second International Conference of Solidarity with Puerto Rico must condemn the shameful colonial status prevailing in the Antillean Island, reaffirm the Puerto Rican people's right to self-determination and adopt measures aimed at expanding international solidarity with the struggle of the Puerto Rican people. The action program states that the second international conference will be a faithful testimony and effective promoter of the broadest and fraternal solidarity of the world's free and progressive peoples with the just cause of the Puerto Rican people for their self-determination, independence and national sovereignty. An important moment at the meeting was a symbolic assault by Pioneers during which the members of the Organization of Pioneers expressed their solidarity with the fraternal Puerto Rican people on behalf of Cuban children and youths.

Chandra Stresses Significance

FL311813 Havana Domestic Service in Spanish 1700 GMT 31 May 79 FL

[Interview with WPC President Romesh Chandra for Revolutionary Armed Forces and Interior Ministry Combatants Political Information Program, (name of cast), place and date not given, Chandra speaking in English with consecutive Spanish translation--recorded]

[Text] [Unidentified reporter] Comrade Chandra, would you discuss the holding of this meeting preparatory to the Second International Conference of Solidarity with Puerto Rico?

[Answer] We are meeting here in Havana, Cuba, to prepare what I believe is one of the most important international events of this year. The International Conference of Solidarity with Puerto Rico is drawing tremendous attention from all countries. The feeling is growing that the struggle of Puerto Rico against U.S. colonialism is a struggle which is indeed (a frontline) of the struggles of all peoples in the world. Puerto Rico is fighting against United States colonialism, it is fighting in the heart of the most imperialist, the biggest imperialist power of our times, and that is why this meeting which prepares this important international conference, which will take place in November in Mexico, is of great importance. We are meeting in Havana, Cuba, the capital of revolutionary Cuba, and this in itself gives us tremendous confidence in the reults of this meeting.

Solidarity Meeting Ends

FL312348 Havana Domestic Service in Spanish 2300 GMT 31 May 79 FL

[Text] The meeting to prepare the Second International Conference of Solidarity with the Independence of Puerto Rico ended this afternoon with the adoption of important agreements. Messages of greetings to Cuba, Mexico and the World Peace Council [WPC] as well as resolutions demanding the release of Puerto Rican political prisoners and the return of Vieques Island and dismantling of military bases there and condemning the repression that has been unleashed in Puerto Rico were approved during the last working session.

A call to the Second International Conference of Solidarity with the Independence of Puerto Rico to be held during the second half of November 1979 also was approved. An action plan for this conference was approved unanimously. This plan establishes the agenda and calls for undertaking an active campaign of international solidarity. (Antonio Tenorio) of the Mexican committee of support for the conference spoke in the afternoon session; he referred to Mexican solidarity with the Puerto Rican cause. (Eneida Vasquez), president of the Puerto Rican Council for Peace, also spoke. In emotional words she demanded the release of her imprisoned comrades. Lastly, WPC President Romesh Chandra made the closing remarks. He said he felt completely satisfied with the results of the meeting. We hope the Second International Conference of Solidarity with the Independence of Puerto Rico will open the doors to the independence of that country, Romesh Chandra concluded.

The participants in the prepatory meeting this afternoon laid a floral wreath at the tomb of Juan Marinello who was president of the Cuban movement for peace and sovereignty of peoples. A preparatory committee for the Second International Conference of Solidarity with the Independence of Puerto Rico was formed composed of all the representatives to the meeting that ended today. The committee will be headed by the Mexican delegate.

DIPLOMATIC RELATIONS ESTABLISHED WITH SURINAM

FL311718 Havana Domestic Service in Spanish 1700 GMT 31 May 79 FL

[Text] Cuba and Surinam have agreed to establish diplomatic relations effective today. The two governments made this decision encouraged by the desire to develop relations of friendship and cooperation between the two peoples.

COOPERATION ACCORD SIGNED WITH SPANISH ASSOCIATIONS

FL311832 Havana Domestic Service in Spanish 1805 GMT 31 May 79 FL

[Text] A friendship and cooperation agreement between the Cuban-Spanish Friendship Association of the Cuban Institute for Friendship with Peoples (ICAP) and the Bartolome de las Casas Spanish-Cuban Friendship Association of Spain was signed this morning at ICAP headquarters in Vedado [Havana]. Ernesto Vera, president of the Cuban-Spanish Friendship Association, signed the document for the Cuban side while (Vicente Yirbao Leot), president of the Bartolome dellas Casas Spanish-Cuban Friendship Association, whose headquarters are in Madrid, signed for this organization.

After signing the documents, the two officials stressed the importance of the agreement which was reached for a better understanding of the historic relations that bind the two peoples. The Spanish and Portuguese ambassadors to Cuba, Enrique Suarez de Puga and Manuel Joao de Palma, respectively, and ICAP President Rene Rodriguez Cruz attended the signing ceremony.

EMBASSY IN ALGIERS HOSTS RECEPTION

FL311031 Havana Domestic Service in Spanish 1000 GMT 31 May 79 FL

[Text] Abdelmadjid Aouchiche and Sid Ahmed Ghozali, Algerian ministers of housing and hydraulics, respectively, had attended a reception hosted by the Cuban Embassy in Algiers in honor of Levi Farah, minister president of Cuba's State Committee for Construction. Earlier in the day Farah and the delegation accompanying him laid a floral wreath at the tomb of Hoauri Boumediene. The Cuban leader has been holding talks with Algerian leaders. This is the fifth day of his visit to Algeria, which is scheduled to end the day after tomorrow, Saturday.

UN ACTION AGAINST SOUTH AFRICA URGED

FL311133 Havana Domestic Service in Spanish 1100 GMT 31 May 79 FL

[Text] Cuba has urged the UN General Assembly to reaffirm the legitimacy of the Namibian people's armed struggle and the UN Security Council to impose economic sanctions against South Africa's regime. In a speech before the UN General Assembly Cuban Ambassador Raul Roa Kouri recalled that on previous occasions Cuba has denounced the true intentions of the Pretoria regime and its Western allies in connection with the plan sponsored by France, the United States, Great Britain, the FRG and Canada. On those occasions, he stated, I pointed out that it was highly impossible for a solution sponsored by those who are the principal international supporters of apartheid to be meaningful. Roa refuted North American Ambassador Andrew Young's attempts, on behalf of the five Western nations, to attribute equal responsibility to the South-West African People's Organization (SWAPO) and South Africa for the failure of the negotiations.

The Cuban diplomat stressed that it is most assuredly unacceptable to compare those who have every right to struggle for the independence of their fatherland to those who, in flagrant violation of the resolutions of the General Assembly and the Security Council, continue to usurp a territory which has been placed under the exclusive responsibility of the United Nations. He added that the Security Council should adopt effectual measures against the South African regime, applying the economic sanctions provided for by the UN Charter and imposing a trade embargo of arms and fuel as well as others to isolate it diplomatically and commercially.

CZECHOSLOVAK STANDARDIZATION DELEGATION ARRIVES

FL291453 Havana Domestic Service in Spanish 1415 GMT 29 May 79 FL

[Text] Eng Timotej Hill, president of the Standardization and Measurement Institute of the Socialist Republic of Czechoslovakia, has arrived in our country heading a delegation which will conduct an exchange of experiences with its Cuban counterparts. The Czechoslovak standardization delegation is also composed of Eng (Jaroslav Jarni), vice president of the institution. The two officials were welcomed at the Jose Marti air terminal by Eng Roman Darias, minister president of the Cuban State Committee for Standardization, among others.

Dorticos Receives Officials

FL301014 Havana Domestic Service in Spanish 1000 GMT 30 May 79 FL

[Text] Osvaldo Dorticos Torrado, member of the PCC Politburo and vice president of the Council of Ministers, has received Timotej Hill and (Jaroslav Jarni), president and vice president, respectively, of the Standardization and Measurement Institute of the Socialist Republic of Czechoslovakia. During the meeting matters related to the development of standardization, metrology and quality control of the two countries were discussed. Timotej gave a detailed explanation on those spheres of work his country and their future development.

Visit to Research Institute

FL302209 Havana Domestic Service in Spanish 2130 GMT 30 May 79 FL

[Text] Eng Timotej Hill, director of the Standardization and Measurement Institute of the Czechoslovak Socialist Republic, and Eng (Jaroslav Jarni), deputy director of the aforementioned office, have visited the Institute of Research and Measurement of the State Committee for Standardization. They were briefed there on the institute's functions, level of qualification of its technical personnel and the importance of the work of the various laboratories of the institute. Eng Eduardo Quesada Perez, first vice president of the State Committee for Standardization, and other officials accompanied the delegation from the fraternal republic.

EXILE LEADER SAYS NO MORE POLITICAL PRISONERS AFTER AUGUST

PA261247 Havana International Service in Spanish 0000 GMT 26 May 79 PA

[Text] In August there will not be a single person still in prison in Cuba for counter-revolutionary crimes, Rosendo Canto Hernandez, director of la Casa de Cuba in Spain and a member of the Cuban community Committee of 75, said at a news conference held here in Havana. Canto Hernandez added that he has official information about this and that the only prisoners who will continue to serve sentences are those who committed crimes against humanity, as agreed during the two sessions of the dialog held last November and December in Havana between representatives of the Cuban community abroad and the Cuban Government.

He also said that in view of the U.S. Government's refusal to facilitate the visas necessary for those who will be pardoned--who will total 3,600--the Committee of 75 will conduct negotiations with a number of Latin American governments which will be asked to receive them. Rosendo Canto then stressed the Cuban Government's and the Committee of 75's total compliance with [30-second break in transmission] during the dialog and the favorable impressions of our country among the emigres who have traveled to his country in recent months.

The Committee of 75 leader, who was recently the target of an attack in Madrid, condemned such terrorist activities and said that the Fascist elements who carry them out are financed and endorsed by U.S. authorities and by the Chilean and Nicaraguan regimes. Canto Hernandez affirmed that the Cuban community abroad regards the U.S. blockade against Cuba as harsh, unjust and criminal and is rejoicing over the sixth nonalined summit meeting to be held here in Havana.

Official Vows To Pursue Talks

PA271902 Havana International Service in Spanish 1800 GMT 27 May 79 PA

[Text] Rev Manuel Viera Bernal, of the Group of 75 of the Cuban community abroad, has told Radio Havana that the talks with our country's officials will continue despite terrorist threats. Viera Bernal, who participated in a theological meeting with Cuban church figures in the city of Matanzas, said that the meeting was very worthwhile because an extensive exchange of experiences and criteria on matters of mutual interest occurred. He added that representatives of the Baptist, Episcopal, Methodist and Presbyterian churches also participated in the meeting. Rev Manuel Viera Bernal voiced his sternest condemnation of the killing of young Carlos Muniz Varela, president of the Varadero travel agency, in San Juan, Puerto Rico, and asked officials to clear up that brutal murder quickly.

Panama Community Supports Dialog

FL301234 Havana Domestic Service in Spanish 1149 GMT 30 May 79 FL

[Text] The members of Panama's Cuban society have expressed support for the dialog between the Cuban community abroad and the government of the Republic of Cuba, and have termed just and humane the family reunification. In statements to the press Faustino Fundora, president of the organization, stated that the dialog is taking place within a realistic framework which makes closer relations with the family residing in Cuba possible. He added that many members of the society have traveled to our country since last December to visit relatives and friends in accordance with the agreements signed by the revolutionary government and the Cuban community abroad. Faustino Fundora participated in the dialog that took place last year between President Fidel Castro and representatives of the Cuban community, the PRENSA LATINA report datelined Panama City adds.

PEREZ CHAIRS ORGANIZING COMMITTEE FOR 26 JULY COMMEMORATION

FL312014 Havana Domestic Service in Spanish 2002 GMT 31 May 79 FL

[Text] PCC Secretariat member Antonio Perez Herrero today chaired the formation of the national organizing committee for the commemoration of the 26th anniversary of the assault on Moncada Barracks. The ceremony was held at the Party Central Committee offices in Havana City. Perez Herrero explained that, as in previous years, the committee includes subcommittees responsible for organizing material facilities, transportation, cultural and recreational activities, propaganda, celebrations and expositions, as well as taking care of invited foreign delegations. The status of preparations for the main commemoration of 26 July in Holguin Province was explained in the course of the meeting. It also was announced that the provincial organizing committee for the activities marking the historic anniversary will be formed in the city of Holguin on Monday.

CUSTOMS DIRECTOR EXPLAINS NEW IMPORT DUTIES

FL251627 Havana Domestic Service in Spanish 1600 GMT 25 May 79 FL

[Text] Raul Guardaramos Rodriguez, director general of customs, has declared that the new customs duties on noncommercial imports effective this month for individuals, companies and agencies located on the national territory--with the exception of Cuban state enterprises--have emerged in the race of the need to improve existing customs legislation. Until a few days ago, Guardaramos explained, our country did not have appropriate legislation to control noncommercial imports made by travellers on whom regulations on commercial duties were imposed, which were the only ones in effect in Cuba for these types of individuals. For that reason, the Council of State decided to issue Decree-Law 22 concerning customs duties on noncommercial imports in order to regulate this activity.

According to the new duties, when a Cuban who resides in this country returns [from abroad] he must pay duties at an established rate of 40 percent of the value of the noncommercial goods he brings in, without exceeding 1,000 pesos. [as heard] Tourists are not charged duties because they cannot import any goods. The director general of customs explained that tourists are allowed to bring only their personal effects on a temporary basis. In other words, they are required to take their effects with them when they leave the country.

When asked if members of the Cuban community abroad are tourists, Raul Guardaramos said: Yes, they are tourists when they come to Cuba because, according to the convention on customs facilities for tourism signed in June 1954 and in effect for Cuba since 1964, a tourist is a person who arrives in another state--in which he does not customarily live--for more than 24 hours and less than 6 months for purposes of tourism, recreation, family affairs, business, and so forth.

BRIEFS

CIENFUEGOS SUGAR HARVEST NEWS--After fulfilling its sugar production plan 2 days ago, Cienfuegos Province became the first in the country to stop grinding for the 1979 sugar harvest. [Havana Domestic Service in Spanish 1143 GMT 29 May 79 FL]

SANCTI SPIRITUS SUGAR HARVEST--When industrial activities ended at all its sugar mills, Sancti Spiritus Province became the second in the country to stop grinding for the current sugar harvest. [Havana Domestic Service in Spanish 1136 GMT 30 May 79 FL]

COOPERATION AGREEMENT SIGNED WITH HAITI

FL312329 Santo Domingo International Service in Spanish 2300 GMT 31 May 79 FL

[Text] The presidents of the Dominican Republic and Haiti today expressed their desire for friendship and cooperation between the two countries. President Antonio Guzman said he is certain that their meeting will help to strengthen our highest aspirations and to determine the beginning of whatever may be considered necessary to join in the progress and well-being to which we aspire.

Haitian President-for-life Jean-Claude Duvalier expressed the desire of the two nations to live in harmony and cooperation in their work for peace. He thanked the Dominican Government and people for the warm welcome they gave him. Dominican President Antonio Guzman Fernandez and Haitian President-for-life Jean-Claude Duvalier signed a reciprocal cooperation agreement between the nations. In the agreement, the two presidents pledged technical, cultural, social, economic and financial cooperation for a period of 5 years which can be extended by mutual agreement.

According to the agreement, a joint commission will be formed to determine priority areas for the expansion of agreements. The commission will meet in Port-au-Prince, Haiti, every year. After signing the agreement, Presidents Guzman and Duvalier toasted the prosperity of both nations. The meeting between the Domincan and Haitian presidents is the 12th in Dominican history. The last such meeting was held on 20 December 1958. Scores of residents of provinces on the Haitian-Dominican border (?went) to Jimani and Malpasse because of the importance of the historic meeting between Presidents Duvalier and Guzman.

AID TO HAITI FOR FIGHT AGAINST SWINE FEVER

FL010054 Santo Domingo International Service in Spanish 2300 GMT 31 May 79 FL

[Text] The representative in this country of the UN foodand Agriculture Organization [FAO] has announced that the Dominican Republic will help Haiti to fight swine fever. Lic (Flavio Machicado Sanabria) added that it will be necessary to send to Haiti the results of investigations being made on this matter in the Dominican Republic.

FAO has been giving in this country a number of inter-American courses on the African swine fever because the disease has affected hogs in this country as well as in neighboring Haiti since last year. (Machicado Sanabria) said he will need the support of the Dominican Republic to fight swine fever in the neighboring country of Haiti.

GRENADA

GOVERNMENT PLANS TO RAISE $92.5 MILLION

FL301335 Bridgetown SUNDAY ADVOCATE-NEWS in English 27 May 79 p 3 FL

[Text] St Georges, Grenada, 26 May (CANA)--The People's Revolutionary Government (PRG) in Grenada is planning to raise about EC$250 million (US$92.5 million) for capital development projects, Finance Minister Mr Bernard Coard has announced here.

Addressing the Chamber of Commerce, Mr Coard said government will be preparing a five to seven-year plan complete with pre-feasibility and feasibility studies for presentation to the international bodies and governments with the hope of raising the money.

The finance minister added that the EC$200 million (US$74 million) to EC$250 million (US$92.5 Million) would be used exclusively on capital development projects. "We will develop the technical infrastructure to absorb this expected aid," Mr Coard told the Grenadian businessmen.

Continuing on external financial and technical assistance in relation to the government's developmental strategy, he said: "Grenada experienced a situation in which sums of money pledged by governments and international agencies for projects in Grenada have not been absorbed into the economy and put to the use of the people" during the reign of the last (Eric Gairy) government.

He said EC$46.8 million (US$17.77 million) have been pledged over the last two years and only a paltry EC$6.6 million (US$2.44 million) was actually taken up by the Gairy regime. "It is difficult enough to get money and when you get money at least some serious efforts must be made to spend it in an appropriate way," he added.

Mr Coard told the chamber: "We want you to recognise that the government has already been increasing the amounts of government-employed personnel as well as financing three special areas of the economy. These areas are capital stock maintenance capital development projects and human resources and human resources development "which is a key to any meaningful development of the country as a whole," he said.

ST KITTS-NEVIS

MOORE CALLS FOR UNITY, NEW GOVERNMENT FORMED

FL251345 Bridgetown ADVOCATE-NEWS in English 22 May 79 p 3 FL

[Excerpt] Basseterre, St Kitts, Monday, (CANA)--Mr Lee Moore, the new premier of St Kitts-Nevis, has appealed for public suggestions and total involvement in the task of nation building. In his first broadcast to the state after taking up office, he extended an invitation to nationals overseas describing them as "talent in exile" and said: "Your country hath need of you."

Mr Moore, who succeeded Premier Paul Southwell following his death in St Lucia Friday, said the task of nation building was one to be tackled forthwith. Welcoming ideas, he added: "There is a wall of Jerusalem to be rebuilt, and I wish one and all to unite in this great task of rebuilding the wall."

Speaking only hours after taking the oath of the higher office at Government House Saturday, the former attorney-general pledged that he would dedicate himself to the service of the country saying he would request and expect to receive assurances from the other four ministers.

"We would wish to show example in leadership to demonstrate integrity in public life, to seek general national unity and to encourage purposeful self discipline... in the interest of the development of our country," Mr Moore added.

In his radio and television speech also, the premier called for harmony asking that "all ill-will be abandoned, all animosities be forgotten, all division be given up and that all old emnities should cease and be replaced with love."

Mr Moore concluded his 15-minute address with a tribute to his predecessor Southwell. "For nigh on 40 years he has been a stalwart of the labour movement," the new leader said, adding that in his time Southwell, a self-taught man, had been teacher, policeman, legislator, statesman and orator.

"He exuded a kind of avuncular charm which disarmed any who considered themselves his foes, and gratified his friends," Moore added. A little over two hours before Premier Moore had taken the oath of office before resident Puisne Judge Cecil Hewlett at government house.

Also sworn in were the new Attorney-General Fitzroy Bryant, who will continue to hold the portfolio of education, health and social affairs minister.

Charles Mills with whom the Ministry of Finance held by Southwell now rests, will continue to be responsible for Nevis affairs, in his portfolio as minister of communications, works and public utilities.

Bearing the heaviest brunt of portfolios is minister of agriculture, lands, housing and labour, E. St John Payne whose additional responsibilities are trade, industry and development.

Premier Lee Moore will also carry the ministries of home and external affairs, broadcasting and tourism. Joseph N. France remains a minister without portfolio.

SURINAM

CONFUSED CONSTITUTIONAL SITUATION REPORTED

FL302231 Havana Domestic Service in Spanish 2130 GMT 30 May 79 FL

[Text] Georgetown--Surinam has been experiencing a confused constitutional situation ever since the government lost its parliamentary majority 3 weeks ago which could result in new general elections, according to reports received (?here). The precarious majority which the government enjoyed with the ruling coalition led by Prime Minister Henck Arron was lost recently with the death of a government member of Parliament. His death leaves the 39-member national Parliament with 19 government members and 19 in an opposition coalition led by Jaggernath Lachmon. Parliament was elected in October 1977. Although the seat left vacant by the deceased member of Parliament is not lost by the ruling coalition, the replacement must be officially installed at an official session of Parliament.